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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW  
ONTARIO LAND CORP.

WEDNESDAY, OCTOBER 29, 1986





STANDING COMMITTEE ON-GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

Ferraro, R. E. (Wellington South L)

Grande, T. (Oakwood NDP)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Marland, M. (Mississauga South PC)

Mitchell, R. C. (Carleton PC)

Ramsay, D. (Timiskaming L)

Sargent, E. C. (Grey-Bruce L)

Smith, D. W. (Lambton L)

Clerk: Arnott, D.

Clerk pro tem: Carrozza, F.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

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Witnesses:

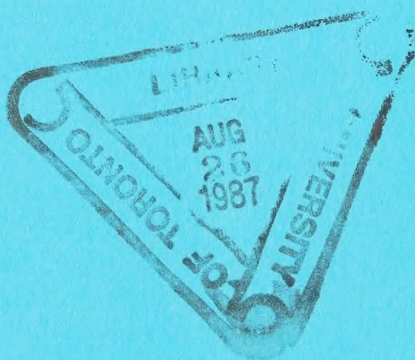
From the Ministry of Industry, Trade and Technology:

Girvin, J. D., Assistant Deputy Minister, Industry

From the Ontario Land Corp.:

Riggs, R. W., Vice-Chairman and Chief Executive Officer

Johansen, P., Director, Marketing and Sales Branch





LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Wednesday, October 29, 1986

The committee met at 10:23 a.m. in room 228.

ELECTION OF VICE-CHAIRMAN

Mr. Chairman: I see a quorum, thank heaven. The first item of business is the election of a vice-chairman of the committee, which is necessitated by the shifting of John Lane on to another committee. Do I have a nomination?

Mr. J. M. Johnson: I nominate Bob Mitchell.

Mr. Chairman: Are there any further nominations?

All in favour? Carried.

ONTARIO LAND CORP.

Mr. Chairman: I would like to apologize to the gentlemen from the Ontario Land Corp. for this delay. Sometimes politicians work on Filipino time, which means, how soon can you be here?

We have with us Jean Paradis, a member of the board; R. W. Riggs, vice-chairman and chief executive officer; A. C. Beattie, director, planning and development branch; P. B. Johansen, director, marketing and sales branch; D. Haley, director, land operations branch; R. Grant, director, mortgage administration and services branch; M. Elkin, corporate controller; and D. W. Kusel, manager, corporate planning section. I guess everyone is here.

Mr. Girvin: I am David Girvin, from the Ministry of Industry, Trade and Technology.

Mr. Chairman: Of course. This is Mr. Girvin, assistant deputy minister, industry, of Industry, Trade and Technology. Does somebody want to take the podium and be in the hot seat today? Mr. Riggs, do you have a statement you wish to make?

Mr. Riggs: No. When I was here a few weeks ago, I understood that the reason for us being invited back was to discuss the interrelationship between the Ministry of Industry, Trade and Technology and the Ontario Land Corp. in terms of the development of industrial land in the province. I am here with my colleagues to answer any questions committee members may have concerning that relationship and any other questions concerning the Ontario Land Corp.'s operations which were not clearly identified or answered at the previous meeting.

Mr. Chairman: I believe one of the people who requested your return was Mrs. Marland. I understand she is on her way. I hope she will get here before we run out of questions. If not, it is going to be a very short meeting.

Mr. Mitchell: I apologize. I was not a member of the committee in its earlier sittings. I hope I am not going to go over old material. The



Ontario Land Corp. is of interest to me because of the holdings it still has, I believe, in the Ottawa-Carleton region. I must be honest. I have not kept a close watch on it. I am speaking specifically of the land you acquired in conjunction with the federal government for development in the eastern part of the region. I would like to know the status of this land at the moment and then I may have some other questions. Is the land still being held? Are negotiations ongoing for its sale? What is the current status of that land?

Mr. Riggs: Generally, the land we have not transferred to the Ministry of Natural Resources--and a number of acres were transferred to it for its uses--are still being retained. To look at the best manner of marketing those lands, we have completed a number of internal option studies. We have also reviewed some options with the region. They had some concepts of a hamlet development geared to an agricultural community, not an urban community, because obviously the location out there does not lend itself to the latter. We are investigating that with the region and the municipalities, to see whether they are prepared to go further.

The remainder of the land, which is designated for agriculture, will probably be placed on sale with the collaboration of the municipality, the region, the Ontario Federation of Agriculture and organizations such as those during the next one to three years, if that is the government's will. The area, which is designated in the official plan for possible urban development in an agricultural manner is still being reviewed for possible development.

Mr. Mitchell: I am interested that you say some of it may be identified for hamlet development. I was a member of regional council at the time of the acquisition of the property and when development was being considered. I was one of those who opposed development on that land, primarily because of all the conflicting studies about the capabilities of the land to handle development. I am talking about a high water table and things such as that. The best study I am aware of indicated that services would all have to be suspended, i.e., put on cradles, piles and so on, to hold them in place, either that or a lot of it would have to be on slab or some such development.

What I am interested in--and again it is probably information that has been provided at one time or another--is who actively promoted, who was the first participant in the land acquisition there? Was it the federal government or was it the Ontario Land Corp.

10:30

Mr. Riggs: It was the Ontario Housing Corp.

Mr. Mitchell: Right; I am sorry.

Mr. Riggs: It was the Ontario Housing Corp. together with the federal government and with the full support of the regional chairman at that time. There was a meeting held with the regional chairman and his senior staff where they--

Mr. Mitchell: That was Dennis Coolican at the time?

Mr. Riggs: That is correct. He was very supportive. You know the area. I remember it and I was involved peripherally in the acquisition. There was a lot of strip development occurring in that area of land and there was



some concern by the region that if that kind of strip development continued without good planning it would be to the detriment of the entire area.

Mr. Mitchell: The region at that time was concerned about strip development, and because of the fact that it was in the throes of preparing an official plan, those lands the Ontario Land Corp. and the federal government held formed a very strong part at the time of that official plan for future growth areas.

Mr. Riggs: I think the manner in which the decision was probably finally made was when the National Capital Commission came along and said it would buy much land surrounding these lands to protect the urban development. Then Central Mortgage and Housing Corp., the region and the NCC were all proceeding to protect this area and purchase this land. It became an overwhelming force which by its own momentum reached a conclusion of purchase.

Mr. Mitchell: I believe Mr. White was the minister at the time, was he not, when the first moves were made to acquire the land?

Mr. Riggs: He may have been the Treasurer. He was not the minister responsible for the Ontario Housing Corp. It was probably back in the days of the Honourable John Rhodes. I am guessing there.

Mr. Mitchell: I know most of the history. I am interested in knowing what the status of it is at the moment. The Ministry of Natural Resources has taken over some. How much did it take over? Do you know?

Mr. Riggs: We transferred 1,700 acres to them.

Mr. Mitchell: Under the management agreement with the region, is that forming any part of the regional forest or is it just an area--

Mr. Riggs: The original reason we transferred it to them was part of the poplar growth program, which was for reforestation, but for a specific use. At that time, the energy submissions were coming forward. One of them was poplar groves for alcohol development. I assume that is still there.

Mr. Mitchell: There is an agreement with the regional municipality for management of regional forests and the deer yards by the Ministry of Natural Resources. I am interested about whether it could at some time form part of the regional forest operation.

Mr. Riggs: I do not know.

Mr. Mitchell: You also still own some land, I believe, in the area of the Borden farm. Is there any land left there at all? There two big blocks. Is it still Ontario Housing Corp. land or does the Ontario Land Corp. own that land?

Mr. Riggs: The Ontario Land Corp. took over all the assets generally of the Ontario Housing Corp. except for some minor pieces up there for public housing projects.

Mr. Mitchell: There were two blocks. The major one was at the corner of Viewmount Drive and Merivale Road. The land holdings you had there were split, I believe, by the separate school board offices. The city of Nepean had put forward a proposal for development on the land. I believe the federal



government at one time expressed some interest in putting a building on that property. What is the state of that? The reason I ask is obvious. There is a lot of strip development. The city of Nepean is basically strip downtown. In the light of recent developments on Merivale Road, I am interested in what is happening with that land. I know you have sold some land recently for some housing to the Assaly Corp., behind Merivale High School or adjacent to it.

Mr. Riggs: Yes. We had a tender on that one.

Mr. Mitchell: What is the current state of the other property?

Mr. Riggs: I would like to ask Peter Johansen, who is in charge of our marketing and sales branch. I have a fair idea, but I would rather give you the exact information. Mr. Johansen is the director of marketing, and he can bring you up to date on that particular parcel of land. We have been dealing with Nepean for a number of years. At one point, as I understood it, they wanted to use it as a city hall, and the federal government jumped in with some land it had on Woodroffe Avenue.

Mr. Mitchell: That is right. The new city hall is now under construction.

Mr. Riggs: I will ask Mr. Johansen to bring you up to date on what is happening to those parcels.

Mr. Johansen: We did have discussions with the municipality on that site. It involved a possible land transfer and a land switch. The site you are referring to is the one that was zoned mixed commercial and allowed for other associated uses such as hotel. The site was sold as a result of a tender call.

Mr. Mitchell: That site is sold?

Mr. Johansen: It is sold. The land in behind, which you referred to, was land remaining that could accommodate some 12 detached houses. The corporation sold it on the basis of a reference plan, and the purchaser put in his own services.

Mr. Mitchell: If I remember my history back then, Nepean did acquire one parcel of that adjacent to the fire station, did it not?

Mr. Johansen: It did many years ago.

Mr. Mitchell: May I ask who has acquired that corner property?

Mr. Johansen: Minto Construction.

Mr. Mitchell: It does not surprise me.

Mr. Johansen: I am sure it does not surprise you, because it also had the other land. With the regulations, as you are well aware, there was a coverage situation that you could take coverage from one site to the other. As a result of its owning it, it was prepared to pay a higher price. The value to it was higher than it might have been to other people.

Mr. Mitchell: I cannot recall. Are there any other lands within the city of Nepean, city of Kanata boundaries?



Mr. Johansen: We have two blocks in Kanata for which there are some servicing difficulties at present. There are soil difficulties with them. We are having a study done by the engineers to determine what we perceive to be the extent of the difficulties. Those blocks will be out for tender call very likely within the next four to five months. Those are the only two remaining blocks.

Mr. Mitchell: Where are those blocks? I have difficulty placing where they might be.

Mr. Riggs: Do you know the border line between the old Steenbakkers property and what used to be called Glencairn?

Mr. Mitchell: Yes.

Mr. Riggs: It runs along the roadway that separates the two properties.

Mr. Mitchell: I know where you mean.

Mr. Riggs: It is right along there. It is the boundary between the old Steenbakkers and Glencairn. It used to flood there all the time.

Mr. Mitchell: As an aside, there is one of thing I find somewhat mystifying. I happen to like the way they do it in some parts of Metro Toronto where, if land is owned by so-and-so for future development or whatever, they have a sign up. The Ontario Land Corp. is very quiet about its holdings. It does not have any identification on the land. Except for my involvement with municipal council, I would not have known nor would the general public know who owns what land. They knew the Borden farm area was part of the home ownership made easy project, but apart from that--

Mr. Johansen: We do have signs on any properties that are now for sale or will be for sale. There is a sign on it that directs inquiries to us. The particular site you are talking had a sign approximately nine, 10, 11 months ago, when we tendered it. Unfortunately, because of the soil difficulties, we were unable to get any acceptable offer. Since we have taken it back and have put it into the engineering people for a study, we have taken the signs down. We will put them back up again to indicate that they were for sale, but we felt that to put the "for sale" sign up would be misleading at that time. We would have to say we were not ready.

Mr. Mitchell: What is the problem with the soil in there? With all the other developments around there, what sort of problems do you have?

Mr. Johansen: As I recall, the area is low. There are some current discussions with regard to one of the blocks where a pumping station might be required on a site which is going to interfere with exactly what type of coverage you can get. The other piece of land has a mix of peat moss and other nondesirable things when you scratch below the sod. They do have a value, but the value is substantially reduced by the condition of the soil.

Mr. Mitchell: Thank you. I am sorry to monopolize, but I was interested in finding out the state of some of the land in the Ottawa region.

Mr. Ferraro: As is Mr. Mitchell, I am a new member here too. Notwithstanding the fact that I am sure your whole organization was elated



at the prospect of coming and talking to a bunch of politicians, I am sure it is somewhat disappointing to see a bunch of new faces here to whom you have to regurgitate some of the old stories.

I have one question in particular. When I looked at the mandate of the OLC when it was first proposed in 1974 and then at the brief you submitted last time you were here, of the roughly 63,000 acres OLC had at that time you indicated in one of the categories that 50 per cent, or 32,000 acres, was predominantly agricultural. The next line said there was no development potential and the acreage was to be sold as is as market conditions permit. If it has no development potential, and when I look at the mandate, why the hell did you ever acquire it?

10:40

Mr. Riggs: That is difficult for me to answer. When I was appointed to this role, my mandate was to come in to assess the holdings that were purchased previously and to give guidance to the government about what we should do in dealing with these land holdings. When I was here previously, I tried to answer that in a philosophical manner. Back in the 1950s and 1960s, there was almost a North American phenomenon called land banking, based upon the European experience. The Europeans had suffered through five years of war and we had not in the same way, yet the planners who came over from Great Britain, in particular, had a bent towards this great concept of new communities and land banking, which was not really transferable to either Canada or the United States of America.

My only defence, if that is what I may call it, is that this province, as well as other provinces, got caught up in the great plans, such as the Toronto-centred region plan in Metropolitan Toronto which never went anywhere. We got caught up in land banking, with the federal government advocating it strongly and being prepared to put loans up at very low interest rates for provinces to do that, without recognizing our demographics, our long-term growth patterns or the real need for that kind of new-community approach.

My job in coming into it now is to bring it back to reality, look at the demographic factors, look at the growth factors and not keep an inventory of land that has no development potential whatsoever but is merely burdening the province with lands and with administration which can be better done by the private sector.

Mr. Ferraro: You have covered in a very astute manner or tried to justify to some degree what I read as incompetence on the part of whoever was involved in acquiring this acreage in the past. I am really interested in how, aside from the philosophical justifications, anybody could get caught up in spending taxpayers' money for 32,000 acres of land that has no development potential. Did they have development potential at that time, or was the attitude merely: "Here is some land. Let us acquire it"?

Mr. Riggs: If I can talk about the Nanticoke acquisition, that is the Townsend town site, yes, it did. When that acquisition took place, Stelco, Ontario Hydro and Texaco were in the throes of a \$1-billion expansion in that area. If the worldwide economy for steel had boomed, as everyone thought it might when the idea first took place with Stelco, it might have been a far different story. That is hard to say, because Stelco actually spent the money to build that plant, which even today has not reached its potential. Stelco is still producing raw steel in Nanticoke to ship back to Hamilton, which was not the original idea. It was to be a self-contained, very modern plant in Nanticoke. That has not taken place to this day.



In talking about Nanticoke, there was some reason for that acquisition. It was to relate to the industrial expansion and give encouragement to that industrial expansion and the private sector, but it collapsed.

I cannot speak to South Cayuga. In meetings with the standing committee on public accounts and in the Legislature, the previous Treasurer addressed why he purchased those properties. I have to leave to the record what was said.

Mr. Sargent: I do not want to be political, but how does that tie in with what John White said when someone asked him why that land was acquired? He said, "I was driving one day and I had a dream." That is what he said. It was just like Martin Luther King. That is why he bought the land. How does that tie in with what you say?

Mr. Riggs: I can only go back to the records, in the sense that--

Mr. Ferraro: An expensive dream is what it was.

Mr. Sargent: That is right; he had a dream.

Mr. Ferraro: It was a nightmare for the taxpayers.

Mr. Riggs: There was some basis for Nanticoke if you go back to Stelco. Mr. White said something for the record, and I can only allow the record to stand on its own.

Mr. Ferraro: One final question along the same line: Nanticoke is 13,500 acres. That gives you roughly 16,500 other acres of development potential. I will leave you with this, because if we persist, I suspect you will be as bald as I am by the end of this meeting.

How did the chain of decision-making occur? Aside from someone hallucinating or having a dream, how would someone determine, for example, that he is going to come into my community of Guelph and buy 400 acres or whatever the case may be? Who had the final authority for approval? I suspect it was the board.

What I am trying to get at is that even in Nanticoke or in northern or eastern Ontario, it made a hell of a lot more sense for the OLC to get involved there than it did in Kitchener, London and Guelph, for example, when you look at market conditions, all things being equal. How was it determined where you went and why? I guess it is a difficult question to answer.

Mr. Riggs: It occurred in a variety of ways. The acquisitions OLC holds at present took place over 35 years. Each one was somewhat different.

I go back to the original acquisition in Scarborough. Back in 1950, there was a decision of two levels of government to expropriate X of acres in Scarborough, which is now Malvern. In places such as Windsor, and that is a good example, the municipality came to us and said, "Would you consider buying this parcel of land?" and it fitted in with our official plan. In other cases, it was a cabinet decision based on the direction governments were going in those days. Otherwise, the then Canada Mortgage and Housing Corp. had a special fund for acquiring land for the future.

There was also a philosophy during those days that government should intervene in the land market. That was very prevalent throughout North America.



However, in each acquisition, the board of directors, whether it was the Ontario Housing Corp. or its predecessor the land corporation, may have recommended but it never had the final authority to purchase a large tract of land. It had to go to the government for final approval and inclusion in the estimated expenditures.

Mr. Ferraro: This is the last question I have; I promise, Mr. Chairman. Mr. Riggs, I want to ask you and Mr. Girvin the same question. It appears to me, in my limited understanding of Ontario and notwithstanding that the OLC is being wound down, there is a possible area where OLC or something such as OLC can be enhanced or used, particularly in northern and eastern Ontario. Can you give me your comments on that? Mr. Girvin, in the same light, do you feel the government should be involved in industrial land assistance and so forth, particularly in those areas?

Mr. Riggs: When I was last here, I reviewed for the committee in some depth each parcel of land the corporation has left, which will be transferred to the Ministry of Government Services as of or before March 31, 1987. I should point out to you that it also holds a series of viable and well located lands in its portfolio, which we are also looking at in terms of the best use of those lands for the government's social and economic objectives.

One of the largest parcels we have left, which we are still addressing because it is so complex in terms of its strategic location, is composed of lands that were purchased and expropriated in the North Pickering assembly. Those lands are not only residential but also agricultural, commercial and industrial. About 1,700 acres are zoned industrial in the North Pickering assembly adjacent to an airport proposed by the federal government, which is on hold.

What we are trying to do and what we have done so far is to present to government our assessment of how these lands might be used by the province in terms of pursuing its social and economic goals.

10:50

The interministerial committee discussing the North Pickering assembly, which includes members from the Ministry of Industry, Trade and Technology, is coming together to make a single recommendation to the government on the best use of those lands, including how best to address the industrial capacity of those lands in the future. When we are finished our final recommendations to the government and we turn the lands over to the Ministry of Government Services, the pattern will be set by the government on how best to plan those lands, market them and how to make sure the needs of the various ministries, whether it is for agriculture, conservation areas or for other residential, industrial or commercial uses, will be addressed. Perhaps I could ask Mr. Girvin to add to that.

Mr. Ferraro: Before he does, can you address to a greater degree--maybe you do not want to; you do not have to. I appreciate what you said about the existing stock of acres we have but, notwithstanding that, in your opinion can you see a need for acquisition of new land in northern and eastern Ontario to facilitate and to help development? What I am getting at is that the provinces are in competition, in a sense, although it is diminishing. For example, there was the Hyundai thing. The feds and the provincial government in Quebec fought like hell to get Hyundai in Quebec and, indeed, they had hard feelings. Do we have to do the same thing here to compete?



Mr. Riggs: I do not think land is critical to any government program. I will say that bluntly. There are other approaches, whether it be taxation, fiscal or otherwise, which are better used and can be applied more universally. Land is always area-orientated. That would be my answer to you.

Mr. Mitchell: On a point you raised a moment ago on North Pickering, did the province make all the land acquisitions? I do not know the situation; that was done prior to my becoming involved at this level. Was there any federal government acquisition of land there?

Mr. Riggs: There was none in the area of the North Pickering assembly. It assembled a similar 18,000 to 20,000 acres north of Highway 7. We are basically south of Highway 7.

Mr. Chairman: Was that for the airport?

Mr. Riggs: Yes. It was.

Mr. J. M. Johnson: Mr. Riggs, you mentioned that--

Mr. Ferraro: Excuse me, I did not get Mr. Girvin's response. I was asking David Girvin's comment on the same thing, unless you have a supplementary question.

Mr. Girvin: My personal view is that land is important but it is one of six or seven components in terms of industrial site location. The issue of zoned and serviced industrial land is more of an issue than land per se in terms of the ingredients that corporations or governments need with regard to major projects.

As the individual point man over the past seven years or so, I am not familiar with any situation in which Ontario has lost a medium-sized or a large project as a result of an absence of land, whether that be through government's far-sighted or near-term thinking, both extremes, in terms of regional government or municipalities. The issue you are dealing with is that land is important, mainly because of location in terms of the hard infrastructure that is there and the traditional sense of services, but more important, in terms of social infrastructure with regard to people skills, the community colleges, the universities, the supplier base and the general competitiveness that people are looking for in terms of location.

With regard to your question, which addressed examples in eastern, northern and parts of southwestern Ontario that have not had that level of economic growth, industrial parks or serviced land can be an issue in terms of trying to attract medium-sized industries to a community and the benefits the individual community is attempting to sell. It is certainly not the all-encompassing issue; location is, and there are six or seven other items that follow in the importance of medium or major site locations.

Mr. J. M. Johnson: To follow up on that, I think the government has an obligation to encourage industry to locate in areas of the province that need industrial expansion, whether through ownership of land or planning policies. Certainly, there are areas of the province that are badly underdeveloped and suffering socially. There are other areas, such as the city in which we are sitting, where there is too much growth and too many problems relating to growth. If the government does not accept that responsibility, it is remiss.



On the question of ownership of land, you said the Ontario Land Corp. owns 63,000 acres of farm land?

Mr. Riggs: No. We own 63,000 acres of land, of which about 50 per cent we deem to be of agricultural use only. It has no development potential.

Mr. J. M. Johnson: This again is a problem. We have a Minister of Agriculture and Food (Mr. Riddell) and a government that insist we have to preserve farm land, and I can support that concept. I also feel the government has an obligation to own some other land and preserve it. We cannot demand that our farmers continue to lose money to hold farms in existence. If the government's policy is to preserve farm land, let it share in the cost of holding the land.

It was only three or four years ago that we had tremendous pressure from foreign investors trying to buy farm land in this province. It made sense for the government to come in at that time and pick up land, to maintain it in Canadian and Ontario ownership rather than see it going to foreign investment.

What is the policy now? I understand from the report of the Treasurer (Mr. Nixon) that you are to sell at market value whatever lands you can?

Mr. Riggs: Yes.

Mr. J. M. Johnson: In so doing, you compete with the farmers who are also being forced to sell their land at present?

Mr. Riggs: No. Let me try to explain what is being done. One of the great problems that bureaucrats get into is trying to create a universal program. In a province of this size, it does not always work.

We have two large holdings. Our largest holdings, which are agricultural only, are in Cayuga and Nanticoke. That is where most of the agricultural lands that we deem to have very little potential for development are. We did not go out and form a program. We recognized it would take us many years to sell off those farms, but we met with the regional people, the municipal people, the Ministry of Agriculture and Food and the Ontario Federation of Agriculture. We asked what was the best way of doing this. It is better to have this land back with farmers who are farming land now, who are renting it. Let them own it, because they will put more money back into the land, regardless of circumstances, than if we continue to lease it to them. I think the farmers agreed to that.

What we are doing in those two areas is offering it to you as the tenant first, at market value. We are doing that today. We are not trying to take sales away from other farmers. If you are on the land, we are not taking a sale away from another farmer who wants to sell his farm. If you do not want to buy it, we will continue your lease. We will honour the lease. When your lease comes up again, we will offer it to you again. If you do not want to buy it then, we will place it on the market at that time. We put our farms on the market gradually, in proportion to the amount of land the province owns there to the proportion of the land going on the market from the private sector. We are keeping a balance and being fair.

The region has concurred with this, because it was part of our task force down there. The municipalities, the federation and the tenant farmers have concurred with it. I think it is as far as we can go in trying to make sure we live up to all the obligations. If we are going to sell it, we should



do it right, if we did not do it right when we originally bought it. We are being very careful in recognizing the fragile farm market in those two areas.

11:00

Similarly, throughout any disposition program you must reflect the market. If you try to flood the market, you not only lose money yourself, but you also depress the price of land adjacent to you.

Those aspects are being very carefully looked at. We may be criticized for being slow at times, but I do not think we can be criticized for not listening to people and trying to devise a marketing program that takes into consideration the concerns you have expressed.

Mr. J. M. Johnson: You mentioned that much of the land in Townsend is in Haldimand-Norfolk, and many people would think it will affect only the farm values in that part of the country. However, for example, when Brampton releases hundreds of acres of land for industry and those farmers move out, they will take a look at all parts of the province. If the land is cheaper in one part and it is good land, that is where they will go. It does compete with other sections of the province.

Is there an urgency in disposing of the land? Do you have any time frame?

Mr. Riggs: No. The cabinet directive is to dispose of the land in an orderly fashion, exhibiting good business practices. In those areas, there has not been an arbitrary time frame laid down by the Ministry of Government Services, which will be taking over the land as of March 31. There has not been an arbitrary time frame that says that no matter what we do, we have to sell those lands within, say, three years. We would depress the market enormously in those two areas. We have to keep the balance, and if it takes us 10 years, I have been given by the minister the opportunity to ensure we do it.

We also have to report to the local committees that have been set up there to advise the government how to dispose of those lands in a businesslike, orderly manner, without depressing the market but getting the lands back to the private farmers who want them back to farm, in a way that they will invest in the land. Does that answer your question?

Mr. J. M. Johnson: With the problems in agriculture today, I cannot think of a worse time to try to dispose of farm land. With the thrust of the government to preserve agricultural land, I cannot think of a more pertinent reason for the corporation to be extremely slow in disposing of the farm land. In fact, perhaps it should be thinking in terms of not disbanding, as the Treasurer suggests, but in continuing to preserve the farm land, because I think it will take an initiative from this government to preserve some of our farm land.

I would like to make reference to the comment my colleague made pertaining to Townsend and Stelco and the proposed development. To me, it was a logical and sensible idea at that time to see diversification out of the major cities and into slow growth areas such as Haldimand-Norfolk. I still feel there is a lot of merit in that idea. As many members have mentioned, northern and eastern Ontario certainly need some type of government assistance to attract industry. The member for Wellington South (Mr. Ferraro) mentioned there are areas in southwestern Ontario that need assistance, and certainly Mr. Sargent's riding of Grey-Bruce could do with some industry. The government has to take the lead in this role and not leave it up to the municipalities.



I assume the OLC is one of the organizations that could do this. I am quite disappointed that the Treasurer did not see the merits of your corporation. Perhaps he will reconsider or revamp his program when he brings in his new budget.

Mr. D. W. Smith: From whom did you buy all this land? Was it bought or expropriated at the time you were purchasing all this land?

Mr. Riggs: To my knowledge, there have been only two expropriations in which the province has been involved. One was the North Pickering assembly, where about 60 per cent of the land was expropriated; the remainder was purchased. The other expropriation was for the Scarborough acquisition for Malvern back in the 1950s, when the federal government and the province expropriated the land.

The remainder of the lands was essentially purchased through the real estate brokerage approach. Otherwise, you identify a parcel of land. Perhaps giving you an example is the best way to explain. The Cambridge land, where Toyota is now locating, was purchased back in the 1960s. It straddled Highway 401. It was up for sale. There was some speculation there, but it was mainly farm land. There was a proposal that the Golden Horseshoe was an area of growth; the planners indicated that was an area of future growth.

Land was blocked off, as any developer does it, in terms of potential sewer and water facilities. Brokers acting on behalf of an unknown client would go in and, on the basis of appraised values, tie up the land in options, and the lands would subsequently be purchased in that manner. That general approach, similar to the approach of Cadillac Fairview or anyone else in the real estate business, following the established patterns of optioning and acquiring land through brokers for an unknown client, was used in the 1950s and 1960s to acquire land.

Mr. D. W. Smith: Do you want to say how much the decision to buy this land was speculation compared to the real hard facts of something being developed? Was it 50 per cent speculation and 50 per cent a possible deal of things going ahead, or were the percentages different than that?

Mr. Riggs: I think in the business plans that were examined a great deal of credit was placed upon the population growth projected by municipalities, regions and the province itself. If you go back, you will find that many of those projections have not always borne up, because of changes in economic conditions. No one can ever predict depressions and recessions. Population growth was the major reason for acquiring land in most growth areas. If you want to call it speculation on future growth and having a parcel of land to assist in residential, commercial and industrial development, then in that terminology, you are speculating that future growth will occur there and the province, in terms of its land-banking philosophy at that time, should purchase those lands accordingly.

Mr. D. W. Smith: I guess you do not believe things happen in cycles. You say nobody can predict whether there is going to be a recession or depression. You think those things just happen out of the blue, all of a sudden. I am one who believes cycles do occur. I do not think things just happen.

Mr. Riggs: If you take Cambridge, Cambridge has gone through a number of cycles. It is coincidence, as my colleague here will say, that when Toyota wanted a piece of land, that piece was owned, fortunately, by the



province. I do not think it would have made a great deal of difference whether we had owned it or not. If Toyota wanted a piece of land and was prepared to pay for it, it could have been purchased, as was the case in the Ingersoll situation.

You have to relate the question to the time the acquisitions took place. There was a belief that land intervention was in the interests of governments--not just the Ontario government but all governments--and that it was an appropriate mechanism to ensure residential or industrial growth in the future. Whether or not that is true remains for our children and grandchildren to decide in looking back. Malvern, where 25 industries have gone in, is an example where it was a success. Probably there are other ones you can point to and say we really do not understand. That is the history of the land development business. The Cadillac Fairviews only talk about their successes. You never hear about their failures, which, by the way, they had.

Mr. D. W. Smith: You may have answered this question before at the other meeting, but do you pay taxes or do you pay grants in lieu of the land you have in holdings?

Mr. Riggs: Unlike most ministries, we pay full grants in lieu of taxes on all the land we are currently holding.

11:10

Mr. Riggs: Unlike most ministries, we pay full grants in lieu of taxes on all the land that we are currently holding.

Mr. D. W. Smith: Would it be based on about the same amount of dollars as if the land were owned by individuals? Would the taxes be about the same as the grants in lieu?

Mr. Riggs: There may be some adjustments in terms of the educational part of it, much like agricultural lands are also adjusted, but in lieu of what the lands are zoned, yes, we pay full grants.

Mr. D. W. Smith: From an individual ownership's point of view, though, they would pay all the taxes, education included, and then they would be reimbursed. Are you saying that you may not pay that 50 to 60 per cent of the education portion?

Mr. Riggs: It may be adjusted. There may be adjustments in terms of some of our farm lands. It may be adjusted slightly in terms of that--I do not know, sir, but I can find out for you.

Mr. J. M. Johnson: Mr. Riggs, would the farm land that you own not be subject to the same 60 per cent farm tax rebate any farmer would have?

Mr. Riggs: No, sir. That is at the front of our problems. We are not a farmer. We own the land.

Mr. J. M. Johnson: Then you are more of a benefit to the municipality than a farmer.

Mr. Riggs: From that point of view, yes.

Mr. D. W. Smith: But the municipality does not lose anything by it being a farmer-owned piece of property. The municipality gets all of its



taxes. I wonder whether it does when it is owned by the Ontario Land Corp. That is what I was trying to find out, whether it gives the municipality the same amount of dollars as it would if it were owned by an individual. That is what I was trying to find out, and I do not know whether that is what Mr. Johnson was really asking.

Mr. Riggs: The reason I do not know--and I apologize--is that I believe the Ministry of Government Services does not pay taxes on its lands. This problem has to be resolved between now and March 31, because one organization is paying grants in lieu--and I am not quite sure whether we pay full educational taxes, but I will find out for you, sir--and the Ministry of Government Services is not paying full taxes in lieu on parkway belt holdings. In many cases, it does not pay any at all.

Mr. Mitchell: It does not pay anything on the buildings, does it?

Mr. Riggs: No, it does not. It is an area that we are looking at in its entirety. We have two organizations coming together where there are some differences in how we approach taxes in lieu of and we want to make sure that we do not disturb some of the balances we have in these large municipalities. I cannot give you the answer today, but I will let you know as soon as I have that information.

Mr. J. M. Johnson: Just on that point, when I asked you whether you received a 60 per cent farm tax rebate, I understood you to say that most of the farm land was rented out to farmers.

Mr. Riggs: Yes.

Mr. J. M. Johnson: Would they be entitled to the farm tax rebate? Either you, the owner, or the farmer would, but would the municipality suffer because you owned the land?

Mr. Riggs: No, it would not.

Mr. D. W. Smith: Continuing on from that, are you saying the municipalities may suffer if this land is put into the hands of the Ministry of Government Services?

Mr. Riggs: No, I am not saying that, sir. I am saying that it is an area in which the merger procedures have to be reviewed with the Minister of Revenue and, undoubtedly, the Treasurer before that merger is completed. It has been identified as one of the numerous items that have to be looked at when you make major changes in going from a crown corporation to a ministry.

Mr. Mitchell: I would take that office as putting us on notice, Mr. Riggs.

Mr. Riggs: No.

Mr. Mitchell: In a way it is a pat on the back for the Ontario Land Corp. I have to acknowledge that municipalities have never suffered because of the land holdings, but there is always the age-old argument. I am sorry to have interjected on you, but I think grants in lieu of and so on are important.

The federal government is one of the worst to deal with with regard to its holdings. However, I think it is important and I appreciate your drawing



our attention to that fact. I had forgotten there are things the Ministry of Government Services does not do on a comparative basis, and I appreciate your saying that policy has to be resolved before that deadline period. Thank you.

Mr. Chairman: Are there any further questions?

Mr. D. W. Smith: No.

Mr. Chairman: Would you allow me one then? Mr. Riggs, could you tell me now what the status of the corporation is as a legal entity and for how long it will continue in its present status?

Mr. Riggs: The corporation is still a corporation; it still has its board of directors. As soon as we have an order in council, we are required to transfer the corporation itself to the Ministry of Government Services, which then becomes the ministry responsible for the Ontario Land Corp. On March 31, all the lands currently held by the Ontario Land Corp. that have been neither sold nor transferred to other ministries will be transferred to the Ministry of Government Services.

We will close off our books as of March 31. The board of directors will remain until the Provincial Auditor has completed his audit of the final transactions of the Ontario Land Corp. as of March 31, 1987. The auditor will then sign off the audit. Subsequently, the government will bring into the House a bill terminating the Ontario Land Corp. That will be the schedule, as I understand it.

Mr. Chairman: Will this also apply to the Ontario Mortgage Corp.?

Mr. Riggs: No. The Ontario Mortgage Corp. is a corporation under the Business Corporations Act. It is required to remain because it has certain mortgage holdings that it is still selling off. The Ministry of Government Services does not have the power to hold mortgages. Therefore, the corporation, as a corporation having no staff, will continue to administer and market the remaining portfolio, to assist the government in any secondary mortgage plans and to assist rental or other kinds of housing in Ontario. As it did before the Ontario Land Corp. was formed, that corporation will remain as a mortgage vehicle for the government in terms of its mortgage program.

Mr. Chairman: But your board will disappear.

Mr. Riggs: Yes, it will.

Mr. Chairman: It will be sunsetted, so to speak.

Mr. Riggs: It will.

Mr. Chairman: Not voluntarily, though, I gather.

Mr. Mitchell: If the Deputy Minister of Housing were here, I would be tempted to ask him this question. I may be putting you on the spot, so if I am, feel quite free to say it is not your area to answer. I am very concerned about the amassing of land by governments for housing purposes. I believe there has been only one program that has ever worked the way I would have liked to have seen it work, and that was the home ownership made easy program. In my opinion, all the other hippity hops, such as the assisted home ownership program--AHOP, you hop and everybody else hops--tended to lead the buyer down the garden path.



Although you are the vice-chairman of the Ontario Land Corp., would it be fair to ask whether we should be in that sort of program of amassing land for housing developments to create new towns, cities and so on? I question whether there is a successful program anywhere. I am not pointing fingers at Ontario.

If you feel uncomfortable answering, I will understand.

Mr. Riggs: One other point I would like to raise is that the great growth of the 1950s and 1960s was the result of demographics. I am not saying the great growth of this province will not continue, but I do not think it will at the same rate. I do not think our planners, and I am talking about planners generally, fully recognized how demographics work or the capability of Ontario industry to respond to practically any level of requirement for residential housing. No one really understood the tremendous capacity of this province to respond.

Throughout North America, there has to be rethinking of how you deal with residential construction, from California to Florida, Arizona, Michigan or New England. There needs to be a review in thinking of how we house people in urban settlements. That will be done.

Mr. Mitchell: The one advantage I saw to Ontario being involved in land acquisitions, however, was that it tended to some degree to keep the price of land more realistic. I am not a realtor or a land appraiser or anything, so it is only a feeling I had. Thank you for your answer.

Mr. Chairman: Are there any other questions? Thank you, Mr. Riggs and lady and gentlemen. I appreciate your coming out today and I hope you have not found it too onerous.

The committee adjourned at 11:21 a.m.



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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP

WEDNESDAY, DECEMBER 10, 1986

Morning Sitting





STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

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Marland, M. (Mississauga South PC)

Ramsay, D. (Timiskaming L)

Sargent, E. C. (Grey-Bruce L)

Smith, D. W. (Lambton L)

Substitution:

Shymko, Y. R. (High Park-Swansea PC) for Mr. J. M. Johnson

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Malcolmson, P., Research Officer, Legislative Research Service

Witnesses:

From the Ontario Advisory Council on Multiculturalism and Citizenship:

Frolick, S. W., President

Hassan, H., Vice-President

Alexander, P., Convenor, Southwest Region



LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Wednesday, December 10, 1986

The committee met at 10:15 a.m. in room 228.

AGENCY REVIEW  
ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP

Mr. Chairman: We have today, from the Ontario Advisory Council on Multiculturalism and Citizenship, S. W. Frolick, QC. You are still a QC, eh?

Mr. Frolick: For a while.

Mr. Chairman: He is president. We also have Hanny Hassan, vice-president; Professor Philip Alexander, convener of the southwest regional committee; and Phyllis Rowe, administrative assistant.

I wonder if we could get you to come up to the desk so we can catch you on the microphone and everything you say will be recorded for ever.

Mr. Frolick, thank you very much for coming. We know we have had some difficulties over the past few weeks, so we are very grateful that you got here.

Mr. Frolick: Mr. Chairman, it is incumbent upon me to thank you and your committee for your kindness in postponing the hearings to accommodate me and to enable me to be here. I appreciate it very much. As I have indicated in my letter to you, I also want to take this opportunity to commend your researcher Mr. Eichmanis for the wonderful job he did. In such a short space of time he managed to grasp the essence of the council and did a very fine report and analysis on it.

Mr. Chairman: He will be asking for a raise pretty soon.

Mr. Frolick: He did not put me up to it, though.

Mr. Chairman: Do you have any sort of statement you would like to make before we begin?

Mr. Frolick: I submitted one. I do not know whether you would want me to read it into the record.

Mr. Chairman: It would be a good idea to get it on Hansard.

Mr. Sargent: Should we have a paper or something?

Mr. Chairman: You received them. There are more copies coming in. They were handed out some time ago, but there will be more coming.

Mr. Frolick: In the material supplied to this committee, the history, activities and achievements of the Ontario Advisory Council on Multiculturalism and Citizenship are, I believe, adequately mirrored. I did not come, however, to praise Caesar nor yet to bury him but to highlight certain areas and issues that concern us, for as in all human institutions,



there are also weaknesses and shortcomings in this council. Most of these, I hasten to add, are of a kind over which we have little or no control and are not of our doing.

One of the problems, though not the most serious one, is that the policy of multiculturalism in this jurisdiction, unlike several other provinces, is not grounded in a statute; it is not defined. Multiculturalism means different things to different people. The legal basis for multiculturalism on the national scene and the first attempt to articulate a policy was Prime Minister Trudeau's response to the recommendations set out in book IV of the report of the Royal Commission on Bilingualism and Biculturalism, which he made in the House of Commons on October 8, 1971.

The genesis of Ontario's multicultural policy and indeed of the council we represent here can be traced to the Ontario Heritage Congress held in Toronto in 1972 under the auspices of the Honourable John Yaremko. The only attempt to define multiculturalism and outline an Ontario multicultural policy can be found in Premier Davis's statement of May 4, 1977, delivered to a multicultural leadership conference called by the then chairman of this council, Dr. George Korey. References to certain aspects of this policy can be found also in orders-in-council dealing with the OACMC.

10:20

Turning to the federal scene again, we find section 27 in the Canadian Charter of Rights and Freedoms specifically requires that, "This charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians." Some constitutional experts and legal scholars doubted whether this provision would be enforced because it is in a form akin to what is known in testamentary law as a precatory provision; that is, a mere wish expressed by the testator which is not legally binding on his executor or the courts.

In a Toronto Star article entitled Multiculturalism: Is Canada's Invented Tradition Threatened?, Bernard Ostry completely ignores section 27 and argues that the multicultural policy rests on the provisions contained in section 15 of the charter which deals with antidiscrimination provisions. I suggest Mr. Ostry is wrong on two counts. First, he fails to distinguish between individual rights and group rights. Section 15 deals with individual rights and section 27 deals with multiculturalism, which is a group right.

Second, since the enactment of the charter, the courts of the land have increasingly relied on section 27 as an important constitutional basis for deciding cases in which group rights is an issue.

For instance, the legislation dealing with funding of French-language education was upheld partly on the grounds of section 27 by the Ontario Court of Appeal in Reference re the Education Act of Ontario and Minority Language Education Rights, which is reported in volume 10, edition 4 of the Dominion Law Reports on page 491.

In Regina versus Videoflicks Ltd. et al, dealing with conducting business on Sunday, reported in volume 14, edition 4 of the Dominion Law Reports on page 10, the judgement of the panel of five appeal court justices of the Supreme Court of Ontario, which was delivered on September 19, 1984, by Mr. Justice Tarnopolsky, is extremely important not only for confirming the validity of the provision in section 27 and interpreting its meaning and significance but also for the historical review of the policy of multiculturalism that it contains.



Judicial interpretations have given full force and effect to section 27 and have been and are being used by the courts as a basis for rendering decisions in a number of other cases.

Generally, both federal and provincial governments past and present have been prone to give motherhood-type pronouncements on multiculturalism, particularly around election time. There has been and continues to be a lot of lipservice paid to multiculturalism but not always enough substance or concrete action results.

Criticism was recently voiced that this council has been mostly ineffective in the past three years. In an interview, Dr. Mavis Burke, my predecessor, said she was "surprised at the criticism of the multicultural council under her direction." She went on to say the council "made every effort to present a racial and ethnic perspective on social issues." She made a very apt observation that "the council exists as an advisory body and cannot be held responsible for recommendations not implemented."

The difficulty with council's recommendations is that they were considered by bureaucrats at a very low level in the respective ministries--well below the rank of assistant deputy minister. Ministers and civil servants above that level never saw or considered the recommendations submitted to the government by the council or judged them on their merits. The responses drawn up by those functionaries were merely signed by the minister.

Although the order in council of 1984 directs that the ministries and agencies to which the said recommendations apply "shall submit without delay responses to the council through the Minister of Citizenship and Culture," we have not received any such formal responses to recommendations submitted in December 1985, although the March 1986 recommendations have received the kind of formal response that is required. Whether the somewhat circuitous method of reporting to the government through the Minister of Citizenship and Culture is the best and most effective method is also open to question.

As rightly observed in Mr. Eichmanis's briefing report, the council has been chronically underfunded, which calls into question the commitment of the government of the day to multiculturalism and the "needs, desires, aspirations and expectations of the ethnocultural communities of the province"--to quote from the order in council--which are to be reflected by the council.

The case of another advisory council most closely related in the scope and nature of its mandate to us--namely, the Council for Franco-Ontarian Affairs--illustrates the point very well. Serving an ethnically French community that comprises 7.7 per cent of the population of Ontario by ethnic origin, there are 13 members in the council. We, with 54 members, presumably are here to serve the non-British, non-French constituency that constitutes 39.7 per cent of the population of Ontario in accordance with the 1981 census. Today, I imagine that is a bit higher.

The Franco-Ontarian council's 1986-87 budget was increased to \$433,000 and it was given an additional \$500,000 for the development of francophone programs. My council's budget was cut from \$323,100 to \$252,600. On August 23, 1986, the minister announced supplementary funding which brings our current budget to \$400,300, substantially short of the \$455,000 we had requested originally.

Similarly, staffing of this council has been woefully inadequate. During my term of office, I had one administrative assistant, Ms. Phyllis Rowe, one secretary and one receptionist--all nonclassified personnel--and that is it.

One-issue Ontario advisory councils such as the council on the physically handicapped or the council on senior citizens have 17 and 14 members respectively. I repeat, we have 54 members and we are entitled to have up to 60 members. Those one-issue councils with that kind of small membership have one executive officer, AM-17; two research assistants, AM-13s; one administrative assistant, CG-6; two secretaries; one receptionist; and two part-time clerks.

The supplementary funding for this council provided on August 23, 1986, to which I have alluded, includes \$68,000 to cover my honorarium and usual expenses. Whatever is left will be insufficient for salaries of the envisaged two new staff members to be hired, who have been promised to us for a long time. The breakdown of the additional funding that was given in August was \$79,100 for operating funds and \$68,600 for salaries.

The last and most serious problem I want to focus on is the credibility or perception of this council in the eyes of the ethnocultural communities and the public at large. This council is supposed to be a semi-autonomous agency; it is a schedule 1 agency. The 13-year history of this council reflects a constant tug of war. On the one hand, my predecessors and council members have sought to preserve an arm's-length relationship with the ministry and the governments of the day and jealously guard the council's limited independence. On the other hand, the ministry, in accordance with Parkinson's law, has always attempted to exercise more control over the council and bring it closer into its bureaucratic structure.

The umbilical cord that binds us together and belies the supposedly arm's-length relationship is the fact that we are funded out of the consolidated revenue fund and our budgetary estimates are buried and completely indistinguishable from the general estimates of the Ministry of Citizenship and Culture. It is the ministry that allocates the financial resources to the council and thus we are tied to the ministry's apron strings and completely dependent on its benevolence in the matter of funding. For this reason alone, many people look upon us as being a part of the ministry and merely a mouthpiece for the government of the day.

Not only would our semi-autonomous nature be preserved, but the dependence on the goodwill of the ministry and the uncertainty about what financial resources we may count on would largely disappear if we were able to submit our estimates separately, either to Management Board of Cabinet, which might be very difficult, or at least in an identifiable form as part and parcel of the overall ministry estimates.

10:30

For the sake of its credibility, the council has always opposed unwarranted interference in its operations. It has steadfastly offered resistance to being used as a partisan political football and to any attempts to exploit the council and multiculturalism for partisan political gain. I believe that if all council members unanimously agree on anything at all, it must surely be that the concept of multiculturalism and all it stands for must be kept free of party politics. Whatever our personal political affiliations or inclinations may be, we all agree that our first allegiance is to the cause of multiculturalism which we espouse and to the ethnocultural communities in this province that we are going to serve.

Of course, to be re-elected is the legitimate goal of any government in our parliamentary system. But it seems to me the best way to do this is by



launching meaningful programs and policies that will find acceptance by and the support of the populace. We also believe it is in the best interests of a government, of whatever political stripe, to realize that the credibility of this council and its effectiveness will be enhanced, and benefits accrue to the government of the day, only if this council is perceived to be independent of the government to pursue the aims and objectives for which it was constituted according to its assessment of the needs of those communities it represents.

Thank you for your kind attention. With your permission, Mr. Chairman, I would like to make a brief statement, either now or at the conclusion of this hearing, depending on your wish.

Mr. Chairman: Thank you. Mr. Frolick has indicated he wants to be out of here by 12:30 p.m. at the latest. Is that correct?

Mr. Frolick: Pardon me?

Mr. Chairman: You indicated to me earlier that you would like to be out of here by 12:30 p.m.

Mr. Frolick: Oh, no. We understood that was your wish. We are at your disposal; we will sit here all day, if you want us to.

Mr. Chairman: I see. We cannot. For our sake then, we will have to be out of here by 12:30 p.m.

I am sure you will be welcoming questions. We have Yuri Shymko.

Mr. Grande: On a point of order, Mr. Chairman: Since Mr. Frolick wants to make a statement, I wonder--

Mr. Shymko: This is what I wanted to address. You just cut me off.

Mr. Grande: I am sorry. I felt that perhaps--

Mr. Shymko: If you will give me the opportunity of completing my first sentence, then I can. Following on the remarks of the president of the council, I suggest that statement be made at the end. It may be related to some of the comments we are making. Unless the president feels it will have an important impact on the deliberations we will have for the next two and a half hours, I suggest that any additional statement be made at the end unless it has a bearing.

Mr. Ramsay: Perhaps it is a bombshell.

Mr. Shymko: Perhaps it is a bomshell.

Mr. Ramsay: Perhaps we should detonate it now.

Mr. Chairman: Can we assume, Mr. Frolick, that you are talking about an opportunity to sum up or to answer some questions after--

Mr. Frolick: No. With your permission, perhaps I can go ahead with the statement, because it may help. Perhaps, in view of what I have to say, my recommendations may be more credible, because they will be seen as not being self-serving or inclined to increase my powers.

The council's having to defend itself against the proposed abolition of this council by the minister, the severe reduction of the council's budget and human resources and the delay in appointing almost one half of the council's members to replace those whose terms had ended in March--the controversy over these matters has so soured relations between me as the president of the council and the minister and her staff, and the relationship has so deteriorated that there has actually been no contact between the minister and myself for one year, since December 1985.

When the Office of the Premier finally appointed 20 new members in July 1986, a new, disquieting element was introduced, because some of these new members, unfortunately, assumed an adversarial role and proceeded to introduce a regrettable element of political partisanship which has always been foreign to and absent in this council from its very beginnings.

Some of these newly appointed members have free access to the minister's staff and senior personnel in the Ministry of Citizenship and Culture, which I, as the president, do not even have. I do not think for a moment these new members are actually being encouraged to be obstructive. However, I fear they might well be interpreting their relationship with the minister's staff as at least giving them tacit support for their actions.

Both these developments, as you will realize, are unfortunate in the extreme because, for one thing, the council deserves better and multiculturalism deserves better.

A war takes both sides. I must bear, I suppose, some responsibility for the rift that has occurred. I have tried to offer the olive branch to re-establish the kind of close working relationship with the minister and her staff that is essential to the proper conduct of the council's business and the discharge of the council's mandate.

However, as I say, no results have been achieved by these efforts, and now I have come to the conclusion that someone else more acceptable to the minister and her staff might have a better chance to accomplish the goals the government has set for this council and to meet the expectations of the ethnocultural community of Ontario, which deserve the recognition, the rights and the fair treatment which is still lacking to a large extent.

Consequently, I must advise you and the committee that I have tendered my resignation as president of the advisory council to the Premier on December 1, 1986, to take effect on December 15, 1986. That is to give him time to seek and appoint my successor, with whom the minister might be more comfortable and who might be able to achieve more than I have been able to do.

Mr. Sargent: Maybe we can change that in these deliberations here. Maybe we can change your mind. Can we?

Mr. Chairman: It was very good that you read the statement now, sir, and it might flavour the questions somewhat. Mr. Shymko will begin the flavouring.

Mr. Shymko: Someone must have had some advance warning when they referred to, "Maybe it is a bombshell." I simply was not aware of his resignation and maybe some members were aware of that.

Mr. Ramsay: Intuition.



Mr. Shymko: Maybe it is intuition. It is a little more than intuition. I would hate to be partisan at these deliberations today. However, I cannot help but say that in the 13 years of the council's existence, I do not recall, first of all, any circumstances of such a tense relationship as has existed in the last two years.

There may be many reasons for this. I do not want to blame the minister or the government, but someone in the senior civil service somewhere is to be blamed. The area of fiscal policy and the budgetary implementations of cuts of more than \$100,000 and some of the staffing problems that you have indicated, may have led to this. There may have also been the lengthy delay in the appointment of members, as you have pointed out, some of the problems with regard to communication with the minister, documentation advising the elimination of the council and so on.

10:40

I feel terrible that we, as critics in the opposition, may have raised your concerns in any way. I would like to ask you whether the fact that myself, as a critic, Mr. Grande or anyone raised the issue of the council and some of the problems that were contentious with the minister fuelled the controversy even more. That is my first question.

I think it is regrettable that you have to resign. I join my colleague Mr. Sargent in appealing to you to review your decision. First, it is unprecedented in the history of the council to have a resignation in the term of service.

Mr. Chairman: Excuse me, Mr. Shymko. I do not want to interrupt you, but can you talk into the mike? We do want this on record.

Mr. Shymko: I thought my volume carries enough to be picked up.

I find it regrettable that you made that decision on December 1, especially at a stage of hearings in this committee, where we are reviewing the operation of the council, not in any way to assess its viability and to criticize its operation but only to enhance it.

It is my understanding the member for Oakwood (Mr. Grande) suggested the council be on the list of the various government agencies to come before this committee. He may clarify this and dwell on it when he speaks, but my understanding is that his suggestion was to give you the support and to have you communicate directly to the Legislature, through this committee, some of the concerns you have had, instead of having it communicated in an indirect way. Sometimes we have to get involved publicly through questions to the ministers, press releases or other things or the circumventing efforts of documents being slipped under the door of members of the Legislature.

I find it very unfortunate you have to make the decision. Has some of the public criticism of the ministry had a bearing on this? Has the fact that you are appearing before this committee put any pressure on this? Is it the whole history of the council or, as you have pointed out, the partisanship? Is it individuals who are circumventing your operation as the chairman? Is it that you have been relocated to a new facility that is one floor below the Ontario Liberal Party? You know: God is on top, you are below and Big Brother watches you. Is this psychologically what is making you uncomfortable, the symbolic politicization of the council? What is it?

There are two questions. Did we contribute to your decision in any way by raising your concerns and, second, can you give us more details of what you describe as the politicization of this council?

I can tell you that in the years I served briefly as chairman, some 60 per cent of the council members were openly and publicly politically oriented outside of the party in power. That was a fact. Some ran as candidates with other parties--Jean Gammage, for one, who became a very active member of the advisory council. However, it was never a partisan relationship. Is it that new development, or has it existed in the past? My second question is, will you dwell on that?

Mr. Frolick: I am being placed in a very difficult position. It is a subjective matter. I cannot speak for the minister or her staff or the staff of the ministry about what their perceptions are on how much the matter of questions asked in the Legislature determined their relationship with the council. It is difficult for anybody to judge that, and I am not about to guess at it.

The thing I do have my own knowledge about is that there have been suggestions--and that is putting it mildly; charges or accusations might be more accurate--that somehow I have been feeding the opposition, I guess specifically Mr. Grande and you and perhaps others, inspiring that I have been manipulating you to do this. I found that awfully insulting to me, because I think you and Mr. Grande can make the statement that I have never communicated with either of you, nor have I supplied any information to you or anything. Whatever you did, you got from other sources and so on.

You are right; I did not even circulate my letter of resignation. I marked it "personal and confidential" written to the Premier. I did not think it would be proper for me to make copies and even send it to the minister. I merely sent a short note to the minister saying, "Please be advised that I have on December 1 tendered my resignation to the Premier, effective December 1, for the reasons therein stated." I signed it. I did not think it even proper for me to have given her a copy of my letter to the Premier, let alone be handed out to you or to others or to the press or anybody else. I have never done that and I do not think I would ever do it.

Such is the relationship that these questions crop up and these suspicions are raised that somehow I am directing this. As I say, you know where the truth lies.

Mr. Shymko: I would like to leave this issue at rest. I want to conclude the first two questions that I had asked the president and proceed with questioning of the council itself.

I think that we in Ontario are fortunate in having individuals of talent and calibre, not just heading various government agencies, commissions and boards. I think Mr. Frolick epitomizes an individual whose experience, dedication and sensitivity to the mandate of that council are rarely matched. I say this sincerely. I do not say this as someone who has known Mr. Frolick over a number of years. Believe me, I am not making any partisan remarks because people of various political orientations will substantiate what I am saying.

It is his decision and I am sure he must have thought about it at length. It was a difficult decision because I understand and know how dedicated he is to the cause of multiculturalism, racial harmony and tolerance



in the area of human rights in this province. I think it is a great loss to all the people of Ontario, particularly those of minority backgrounds.

As I join Mr. Sargent in saying I would want him to review this, I doubt he will change his mind knowing how stubborn he is, stubborn being in a positive sense, a very determined man.

Mr. Frolick: Pigheaded.

Mr. Shymko: Principled maybe. What I find unfortunate is the indication by the president that maybe the element of political partisanship has led to his decision. I would have hoped that the reasons would have been somehow different. I do feel bad if in any way some of us as members of the Legislature have fuelled some of that contentious relationship or the polarization between the minister or members of the senior civil service of that ministry and the advisory council.

I know I share the views of all members of the council, who probably feel the same way, including many of the 20 recently appointed; I would say the vast majority of them. I hope the president would review his position. I will leave it at that. I simply want to continue my questioning in the area of the council itself and some of the problems, since I have addressed the Frolick statement.

Mr. Chairman: Before you get off that point--

Mr. Shymko: Unless someone wants to add to the point of the resignation.

Mr. Chairman: Perhaps we could. If you do not mind yielding the floor, we could stay on that one point.

Mr. Shymko: I will stand aside.

Mr. Chairman: Mr. Frolick, since this committee has the mandate to investigate the different commissions and since you have now made a public statement, would it possible for us to get a copy of your letter of resignation?

Mr. Frolick: I do not know what the protocol dictates. Certainly, with the consent of the Premier, it can be done, because I understand the ministry obtained a copy from the Office of the Premier.

Mr. Shymko: On a point of order: We are putting the president in a very awkward situation. The letter to the Premier was confidential, and the confidentiality of the letter is such that it would be up to the Premier to decide whether that letter should be public, rather than up to the person who wrote the letter and wanted that communication to be confidential.

Mr. Chairman: Mr. Shymko, I suspect the letter of resignation stated virtually what you have already told us today, and it is on record. I am not trying to put you in an embarrassing position; I am simply asking Mr. Frolick whether it would be possible to get a copy of this letter of resignation. Since statements were made publicly and we are supposed to be investigating the commission, it would be useful and should be part of our report.

Mr. Frolick: I have to take the position that it is confidential and marked "personal to the Premier." Only the Premier can free me of the

confidentiality. If he consents to release the letter, I certainly have no hesitation whatsoever. The letter does not vary much from what I have already said. The reasons are maybe a little more explicit and in more detail, but in general it will not add that much to what I have already said.

Mr. Sargent: This is certainly a shock. The name "Frolick" is a good name and over the years he has been a great force for good in this field. I regret this very much, at a time when we need people such as this involved. Have you been pressured more by the government of this day than by other governments?

Mr. Frolick: Pressured in what way? To resign?

Mr. Sargent: To bring you to this point. Was there a lack of co-operation on the part of the ministry?

Mr. Frolick: That is certainly a determining factor in my decision. You cannot keep butting your head against the wall when you are not getting anywhere.

Mr. Sargent: What precipitated this, or is it fair to ask that?

Mr. Frolick: I do not know what precipitated it. All I know is that I started with a very good relationship with the minister, which continued into December. Then I became ill and was hospitalized. In the recuperation period, I was away for about two months.

Whatever happened in that time I do not know, but things seemed to have taken place that completely changed the attitude or perhaps the policy of the minister and her staff. When I came back, it was as though I had come back to another place. Nobody even said: "Hello. How are you? Welcome back." There was no letter, no telephone call.

Mr. Sargent: What time frame are we talking about? Two or three months?

Mr. Frolick: Yes, two or three months. It was February and March of this year. I never saw the minister, when before I used to be one on one with her and discussed various things. By and large, my letters were not answered or had no context at all. Then the minister's proposal to abolish the council and replace it with something else and all the other proposals she submitted to cabinet were brought to my attention.

I realized that was the crux of the matter. Obviously, that explained the change in attitude, the ringing down of the iron curtain between the council and the minister. If the minister intends to abolish the council, it is rather useless to deal with the council and perhaps even embarrassing to deal with the president if she has something in mind of that nature. That was my interpretation of why such a radical change in attitude took place.

It cannot be a secret that I sought and received a meeting with the Premier (Mr. Peterson) on this matter. The Premier assured me that whatever the minister suggested, it was not his policy nor the policy of his government and that we were not about to abolish the council.

Having been reassured, I thought, "That is great. We will continue," but then the other shoe fell. That was the cut in the budget. You can skin a cat this way or that way. You cannot abolish the council but you can probably emasculate the council by not providing the financial or human resources.



That is exactly what I refer to; we did not have financial resources until they were given back to us in August. That was rather late to get going and plan activities and so on. We were left with only a corporal's guard as far as membership was concerned, and 20 were not appointed to that department until July. Since August, we have had the financial and human resources and we can do something with it, but the attitude remains. The wall is there.

It is not self-serving and may sound perhaps immodest, but I have come to a conclusion. I am leaving with no bitterness. I realize people prefer to perhaps deal with other people more their kind, or whatever it is. For the good of the council and the good of multiculturalism, I see I can accomplish very little, so I leave with the hope that somebody else can do a better job because they will have better access and more support and understanding.

Mr. Sargent: Your dedication to the whole thing is that you would come and do this. The chairman may not agree with this. If this committee took it upon itself to recommend not to accept the resignation, would it be in order for us to make a decision along that line?

Mr. Chairman: At this point, I do not know.

Mr. Sargent: If so, would you reconsider?

Mr. Chairman: Mr. Sargent, could I elaborate on that? I do not think I would want to be a part of recommending anything unless we saw the actual submission.

Mr. Sargent: Yes, but at the bottom line, down the road, if we saw that--I do not think one ministry, no matter what government you have, can take upon itself the power to destroy all the work in the background and down the years to this point. I do not think it should do that. There should be a recourse somewhere down the line. This committee should have the power to make recommendations if we see fit.

Mr. Chairman: I suppose we do in our report, but--

Mr. Sargent: Maybe you should be in cabinet.

Mr. Grande: Yes, you should be in cabinet.

Mr. Shymko: You should be in cabinet.

Mr. Chairman: We have all been saying that anyway.

Mr. Sargent: Now, come on.

Mr. Chairman: Now that you have vacancies.

Mr. Sargent: That is all I can say.

Mr. Chairman: We would need to know the details of the thing. Then we are wrestling with a date that is just five days away. I see what you are saying and I tend to agree, but I do not know how we will do it at this point.

Mr. Frolick: I appreciate the sentiments expressed by you, Mr. Sargent and Mr. Shymko. I am much encouraged about it, naturally, but my decision is unequivocal and I stand by it. Under no circumstances would I want to go back on my word and resume. Under the circumstances, I would not be able

to accomplish what I want to accomplish and what I feel ought to be accomplished. Nothing leads me to believe that would be done. I think the best interests of all will be served if I leave the field to somebody else.

11:00

Mr. Grande: Let me express my disappointment. I believe it is a sad day when a chairman of one of our agencies, boards or commissions sees fit to resign his or her post as a result of direct or indirect pressure from a minister of the crown. If the minister in question is unhappy with the performance of a council or its chairman, the minister should sit down with that council or chairman and begin to find ways in which those rifts or directions can be ironed out. I feel very strongly about this. With any compassionate government, when the term of the president of that agency, board or commission expires, at that time there would be no reappointment of that person. That is fair game. We all understand that.

But to pressure, directly or indirectly, a person who has been duly appointed as chairman of a council to the point of tendering his resignation does not, to me, speak well for the government, regardless of the government in power; especially this government, which in the past talked about multiculturalism and thought itself to be so close to the multicultural community in Ontario. They thought themselves to be spokespeople for the multicultural community. The action that has come about is very sad.

As Mr. Shymko noted before, it was I who wanted the Ontario Advisory Council on Multiculturalism and Citizenship to come before this committee, not with any intention to disband the council or to do harm to the council but with the intention of strengthening the council so it would become a more effective voice for the 40 per cent of the people in this province who have neither English nor French as their first language or language of origin.

You are probably aware that I have been involved in this area for the past 15 to 20 years, almost all my adult life. As a participant, I gave what I thought was a good paper in 1972 at the Ontario Heritage Congress. As a recommendation of the Ontario Heritage Congress, the Ontario Advisory Council on Multiculturalism, as we knew it at that time, was set up. I follow with a tremendous amount of interest what happens in this field. Therefore, you understand that while I do not hesitate to applaud things that occur, programs that are started and conferences that are set up in the multicultural area, I do have some concerns and I try to put these concerns in a constructive way.

The council was before this committee because I, for one, want to make sure that the council is strengthened to the point that it is an effective voice of 40 per cent of the people out there, an effective voice to government.

Let me finish this at the beginning, because then Mr. Shymko will start asking questions. I find it tremendously disturbing that the situation has come to this point and I respect you, sir, for the personal integrity with which you have told us about your resignation. Even though some of us express a wish that you may change your mind, nonetheless I understand your position in terms of "Even if I were to change my mind and to stay there, I would be less than effective as a council chairman," and I agree with you. We cannot have that.

Perhaps in the past we--well, let me leave it at that, Mr. Chairman. As an initial comment I really think it is a sad day.



Mr. Frolick: I do want to say something very briefly. On the term Mr. Grande used, "pressure to resign" or words to that effect, I want to make it clear there was no pressure brought on me to resign, covertly, overtly or any other way. My decision to resign was due to the fact that I have obviously had no co-operation with the minister, no access to the minister, and felt I could not discharge my obligations as chairman. That is why I resigned. Nobody told me or asked me or hinted that I ought to resign.

Mr. Grande: Mr. Chairman, my comment was "directly or indirectly." "Indirectly" as far as I am concerned, as far as the factors you have mentioned worked towards that point of you tendering your resignation.

Mr. Chairman: Mr. Shymko, we will be beginning general questions now but I wonder whether the committee would allow the chairman to just make one comment to Mr. Frolick?

Mr. Shymko: Yes, Mr. Chairman, briefly.

Mr. Chairman: Mr. Frolick, from what you have said, I recognize there is no pressure to resign except for the pressure on yourself that you felt it was necessary, because of perhaps the lack of co-operation, perhaps some inner turmoil on the council itself. I regret very much that you have seen fit to resign because of this.

I want to make a point. I would hope that in your mind there is no question the reason you were asked to appear before this committee had nothing to do with this. I am very serious about this and very concerned that you might have interpreted your invitation here as a part of this whole operation and I can assure you it is not. Our wishes to have you here were strictly at the initiation of Mr. Grande to talk with you about your operations so that we might gain a better understanding of it. I want to divorce myself from any thought that the reason you are here is to deal with dissatisfaction on the part of the ministry, because I also have no opportunity to meet with the minister.

I think the committee members, whatever party they belong to, would agree with that. There is no connection and I think we have a general regret that you are resigning and I guess that is really what I wanted to say to you. The timing would make it seem as if they are hand in glove but it is strictly coincidental, sir.

Mr. Frolick: I assure you, Mr. Chairman, I accept your statement without reservation, knowing it to be absolutely sincere and true. Accepting it as such, I have no doubt at all in my mind that it might be otherwise.

11:10

Mr. Shymko: In the light of this announcement, which has saddened and shocked all of us, being made on the first day of our hearings with the president of the advisory council, and in the light of the eloquent remarks made in the Legislature following the announcement that Walter Pitman, the former executive director of the Ontario Arts Council, has taken on new responsibilities, and in the light of how people of different political orientations appointed to prominent jobs normally proceed to other responsibilities, we, as members of the Legislature, publicly acknowledge their service and wish them well.

Perhaps this committee could, with your guidance, simply communicate to

both the minister and the Premier our shock and our sadness at this announcement today. Perhaps we should ask the Premier and the minister to ask Mr. Frolick to review his decision. I think something along this line expresses the sentiments of all the members of this committee. I wonder whether, with the advice of the clerk, a communication such as this would be proper. I think it would be. I also think it would be important in the light of how we treat other individuals in capacities similar to, or even lesser than, that of the advisory council.

Mr. Sargent: I will second that.

Mr. Chairman: Do you want to make that a formal motion?

Mr. Shymko: Yes. I move that the chairman, on behalf of all of the members of this committee, communicate to the Premier and to the Minister of Citizenship and Culture (Ms. Munro) our shock, and the sadness shared by this committee, at the announcement of Mr. Frolick's resignation as president of the Ontario Advisory Council on Multiculturalism and Citizenship, and that we ask the Premier and the minister, if they have not met with the president, to meet with him and to ask him to review his decision in the light of the importance to the council of his experience and the accomplishments he has made as a leader in this area and as the president of that advisory council.

Mr. Chairman: You are seconding that motion, Mr. Sargent?

Mr. Sargent: Yes, Mr. Chairman.

Mr. Chairman: Mrs. Marland

Mrs. Marland: Mr. Chairman, if I--

Mr. Chairman: You are speaking to the motion?

Mrs. Marland: Yes, I am speaking to the motion. However, in so doing, I just want to clarify a point. Mr. Folick, I think I heard you say you had met with the Premier. Did you say you had asked for, and been granted, a meeting with the Premier?

Mr. Frolick: That was back in the early part of the year, after I became aware of the document in which the Minister of Citizenship and Culture put forth her program which called for, among other things, the abolition of this council. I went to the Premier to find out whether, indeed, that was the policy of the government and when that was going to be proceeded with. That is the only meeting I had with the Premier and it was on that basis.

Mrs. Marland: I see.

Mr. Frolick: I received reassurance from him that it was not his personal policy, nor the policy of government, to abolish the council. I was reassured, at least, on that score.

Mrs. Marland: The only point I am getting at is whether you have had a response to your letter of resignation.

Mr. Frolick: No.

Mrs. Marland: You have not. I think before we deal with this motion, we should ask Mr. Frolick if he would reconsider if he was asked. I do not



want this committee to put additional pressure on Mr. Frolick. I am sure he has not made that decision with any ease. I know it must have been a very difficult decision to reach. I regret your decision as much as the expressions made by Mr. Shymko, but I do not want us to go through this exercise--unless the committee thinks it should go through it as a formality--if Mr. Frolick would not be willing to reconsider his decision. I do not think it is fair to put him under added pressure from being asked if he would not reconsider it.

In fairness to Mr. Frolick, we should ask him whether it would be an exercise that would put him under pressure or whether he would reconsider.

Mr. Frolick: I made a statement in your absence that my decision is irrevocable. I will not reconsider it. As you indicated, it did not come easily. I wrestled with it for a number of months. I suffered a number of indignities along the way. Through stubbornness or pigheadedness, I stayed on to accomplish certain things. I have come to the realization that multiculturalism would be better served by somebody else and that I ought to leave.

Mrs. Marland: Certainly, it will never be better served, and the Ontario Advisory Council on Multiculturalism and Citizenship will never be as well served.

Mr. Chairman, with respect, I would rather see a motion say what Mr. Shymko said in his preamble to the motion, that this committee formally expresses to the Premier (Mr. Peterson) our tremendous regret at what has taken place and any cause or concern that led up to the decision that could have been avoided is also something this all-party committee must regret.

There should be a public acknowledgement in tangible form in recognition of Mr. Frolick's contribution to multiculturalism in this province. That could be part of Mr. Shymko's motion. In fairness, having heard from Mr. Frolick himself, it would seem unfair to ask the Premier to ask him to reconsider his decision.

Mr. Chairman: We are getting into an area of debating Mr. Frolick's possible future in his presence. It is very unusual for us to do that. If we are going to debate the motion, I would rather shelve it for another time or pass it or defeat it, rather than get into an extensive debate in the presence of Mr. Frolick.

Mr. Grande: Let us table Mr. Shymko's motion for future consideration. I agree with you; I do not want to debate it.

Mr. Shymko: Why do we not leave the decision until after our deliberations are completed but before we adjourn? We may not meet again prior to the adjournment of the House on December 18. I do not want to wait on this in the light of the December 15 deadline. If we could meet briefly at a very early date to reach a consensus on our communication to the Premier and the minister, I would appreciate it.

I accept most of the suggestions or amendments to the motion from Mrs. Marland, except her reticence as to the Premier's request that the president review his decision.

We assume the president has met the Premier or that the Premier or the minister has communicated with him since his letter of December 1. Is this true?

Mr. Frolick: Neither has.

Mr. Shymko: That underlines and gives greater weight and importance to the delivery of such a communication from this committee.

Mrs. Marland: It is pretty disgusting.

Mr. Shymko: I think it is.

Mrs. Marland: I cannot believe they have not communicated.

Mr. Chairman: Before we get into this debate, may we have a motion?

Mr. D. W. Smith moves that the committee table the motion.

All in favour?

Motion agreed to.

Mr. Chairman: Mr. Shymko, let us move on to regular questions.

Mr. Shymko: On the continued operation of the council, Mr. Frolick, your input of answers and advice is very important in our assessment and understanding of the council. I know you have the interests of the council foremost, even in the decision you have made.

11:20

That council will continue to operate, and I know you will be an effective spokesman in whatever future capacity you may be working, as will your answers to the questions we put to you on the continued viability and effectiveness of the council and its operation.

My first question to the president is with regard to a very important recommendation that has been with the council for the past 13 years, namely, that multiculturalism is a policy and there is no statutory guarantee of that policy. A policy is in today and can be out tomorrow, depending on the whims of the government or the party in power. The fact that there is no legal or statutory basis for multiculturalism in Ontario is a very crucial and important point you have made.

You refer specifically to section 27 of the Charter of Rights, and obviously section 15 of the Charter as well. There are differences of views, not only between you and Mr. Ostry, but obviously between various responsible people at the federal and provincial government on the nature of the guarantee between individual and group rights.

However, I would like to ask you some questions. I hope the chairman does not mind, but I would like to hear the answers to my questions as I proceed rather than to wait until the end.

Mr. Chairman: That is the normal way, Mr. Shymko.

Mr. Shymko: Do you suggest that there be an Ontario multiculturalism act to do this? When this was requested of a previous government and of previous ministers, the answer that both the council and members of the Legislature received was that the act that establishes the ministry is the



statute governing multiculturalism. In other words, you really do not need a specific special reference for the statutory guarantee of multiculturalism. That reference is made indirectly in the Ministry of Citizenship and Culture Act.

In other words, it is the act that regulates and sets the mandate for the ministry itself. Do you feel that is adequate ,and if it is not adequate, are there any precedents in other provincial jurisdictions where there is a statutory guarantee to multiculturalism?

Mr. Frolick: That is a question of the chicken and the egg. The ministry in this respect, I think, is the chicken. It can hardly be the initiator of something that is a result rather than a cause of something. I do not know whether it was in your tenure as the chairman of the multicultural advisory council or that of your successor, but somewhere at the very beginning or perhaps before you, one of the recommendations made by the council to the government established the ministry of culture. So in a sense the ministry of culture is a child, if you like, of the council.

Mr. Shymko: And of a policy.

Mr. Frolick: Yes, and the policy. It can hardly be said then that somehow it is also a cause; it is an effect. I think an enactment of basic principles in specific legislation would be beneficial and I think it is overdue.

I cannot tell you exactly which province, but I think Saskatchewan, if I am not mistaken, has a separate act espousing multiculturalism as a concept and as an official policy of the government. Other jurisdictions, to my knowledge, have also. We had passed a recommendation last year suggesting to the government that it appoint a task force to canvass the status of multiculturalism and multicultural policies in Canada. To go out and really research what is happening in other jurisdictions would be beneficial from many points of view.

First, it would give one an overall picture of what it is. It may provide insights about how there can be a certain degree of co-operation between the various jurisdictions and co-ordination of activities, which would all be beneficial.

I still think that is a good idea, and perhaps from that you would also study the available legislation governing multiculturalism in other provinces. Then it would be up to the government of Ontario to formulate its own policy in the form of a bill.

Mr. Shymko: In the section dealing with recommendations, you state you have not yet received a response to the recommendations of the council that you have submitted.

Mr. Frolick: Those were passed in September.

Mr. Shymko: Did you refer again to this question of the statutory guarantee in the last recommendations of the council? By suggesting a task force, you have indirectly referred to this question. The present government has organized eight think tanks and 21 dialogues involving some 2,400 people from across Ontario. Do you see this as a result of your suggestion for a task force, or is this something totally different?

Mr. Frolick: No. That is totally different. I understand that was an initiative of the Minister without Portfolio (Mr. Ruprecht).

Mr. Shymko: I think this is an area that is very crucial. It may come in the form of a private public bill, as we see in the example of the member for Oakwood (Mr. Grande), who is presenting an amendment to the Education Act, which will have a major impact and raises some constitutional questions, to which I will refer in a minute. If a government has reservations on tabling a bill--maybe the Ontario multiculturalism act, to give it a name--it is quite possible for individual members of the Legislature to do this through a private public bill. That is something the council may look at.

There are various ways of highlighting that recommendation, along with any others that are priorities. I concur with you that this one is very important. It ties in with the second question I will be asking you. We already have a statutory guarantee of multiculturalism, I think the only reference in Canada, which will be referred to and quoted and government services challenged by. It is section 27, group rights. I am currently surprised to hear that the lobbying for French-language education was argued by using it.

Mr. Frolick: As was the Keegstra case in Edmonton.

Mr. Shymko: Was it? I think section 27 of the Charter of Rights will become very interesting, and we will see serious developments in the future in various areas of government delivery and services on the basis of a challenge under the charter.

Are you familiar with a study entitled The Effect of the Charter of Rights and Freedoms on Provincial School Legislation by Robert Fulton? It is a judicial study of the Constitution of some 50 pages, which integrates the question of the impact of section 27 on provincial institutions, particularly education, as was so effectively done by the francophone community. Are you familiar with this study?

Mr. Frolick: I must confess I am not. I would very much like to have a copy, since I am interested in the implementation or the force section 27 is given by legislation and by our judicial system.

Mr. Shymko: Let me read to you a very pertinent section of this judicial study of the impact of that section on the province and share your view on this.

On page 24 of his legal study, Mr. Fulton says: "Although the section 23 provision deals only with the two official languages, using section 15, which states that everyone is entitled to the equal benefit of the law, and the section 27 multicultural heritage reference, other minority groups with sufficient numbers of peoples could theoretically demand a right to education in their native languages."

This could really create some problems for provincial governments, but the "reasonable limits" clause would probably be invoked to prevent the potential overwhelming expense of a multiple-language education system. It would seem provincial governments are not prepared to act in advance by preparing groundwork legislation but instead are waiting for court decisions clarifying the scope of section 23.



Nevertheless, the possibility for some fairly wide-sweeping reforms in provincial legislation dealing with minority language education is certainly evident. We do have a bill that will be discussed in the private members' hour next Thursday, which makes references to languages other than the two official languages. In the light of these judicial studies of the impact of section 27 and the other section of the Charter of Rights on the services to minority groups, particularly in education, has the francophone community used the multiculturalism reference in arguing for its French-language education in Ontario?

Do you see the reference to Alberta, Saskatchewan and other provincial jurisdictions, where bilingual schools exist and operate, as something that is inevitable in Ontario? Have you ever made recommendations lately on the establishment of such schools, looking at the precedent in other provincial jurisdictions and supported by the Charter of Rights reference, sections 27, 15, and 23?

Mr. Frolick: I must say I am somewhat saddened by the developments. Rather than being optimistic, seeing an improvement, I see the contrary, a backward sliding in that area of language retention, multiculturalism in the school curricula, where Alberta, for example, was advancing and growing in its bilingual schools. We seem to be losing ground; we are abandoning programs that have already been implemented.

I would like to yield to my colleague, Professor Alexander, because he is a member of the executive as well as the convener of the southwestern region. He took on a very interesting study or survey. It came to our attention in the Delhi school district. The schools have dropped from their curricula the multicultural components of the school program. We were interested to see whether that was a local phenomenon or whether it was more widespread. Professor Alexander and his regional committee took it upon themselves to send out questionnaires to school trustees, to people. I would like him, with your permission, to expound on that, because I think the results of it are rather disquieting. It certainly does not build optimism or hopes that things are improving--on the contrary perhaps.

Mr. Shymko: If I may say, I know Hanny Hassan, Professor Philip Alexander and Ms. Phyllis Rowe are welcome. Was Phyllis Rowe introduced at the beginning? In focusing my questions to the president, I am in no way trying just to solicit responses from the president. If there is anything Mr. Hassan, Professor Alexander or Ms. Rowe would like to add, I certainly think it would be more appropriate to welcome to--

The Vice-Chairman: Just before we do, Mr. Frolick, Mr. Grande, you had a question. Would you like to get it in before we ask Professor Alexander to answer.

Mr. Grande: I do not know. This is very interesting material. I certainly would like to hear--

Mr. Shymko: Is this a supplementary to my question?

The Vice-Chairman: I am trying to ascertain--

Mr. Grande: It was not. I was just trying to put my name on your list. I am not there.

Mr. Shymko: Perhaps we could follow the normal order of proceeding, Mr. Chairman.

The Vice-Chairman: That is exactly what I was doing, Mr. Shymko. Knowing how dear this is to your heart, however--

Mr. Shymko: Heart and soul.

The Vice-Chairman: --we would like to make sure everyone has the opportunity to be heard.

Mr. Alexander: Mr. Frolick is referring to a study that was done in the southwestern region by the region members. It was done because there had been some concern that multiculturalism in the classroom was decreasing in terms of the number of courses available to students in that area. The survey did a very limited examination of attitudes of department heads who administer our educational curricula. It was done in the context that the ground rules are changing and a new seed document from the ministry is still being implemented.

As Mr. Frolick indicated, there are grounds for worry on the part of those who are concerned about multiculturalism and its impact in the educational system. Perceptions and attitudes we uncovered in the survey related to the degree to which the ministry is insisting that multiculturalism remain a part of the school curriculum. At this point, without having wrapped up our study and submitted a report, it is only appropriate to say we are considering ways to address that concern.

Mr. Shymko: Are you looking at Alberta, Saskatchewan and Manitoba as precedent-setting in terms of the format you may want to use in Ontario, or is Ontario different because of our heritage language program, which I understand the other provinces do not have?

Mr. Alexander: We will attempt to be fully cognizant of the inroads in other provinces and the areas they are approaching somewhat differently from us. We were gauging the perceptions in the delivery system on the part of department heads in, for example, the social science and geography areas to see where they see us standing in a policy sense and in the sense of implementation and delivery of material. They have not really come to grips with assessing whether we should emulate or continue to go in a different direction from other jurisdictions.

Mr. Shymko: You limit your concern and your recommendation to having on the curriculum a multiculturalism sort of subject that would be optional, or maybe at some stage mandatory. The bilingual school thing is not something you have addressed in the southwestern region.

Mr. Alexander: No. The way we articulate our concerns on the recommendations that have come forward is still to be formulated. It is based on our experience in the southwestern region, and we will be sharing that with the full council next spring.

Mr. Shymko: We certainly look forward to those recommendations.

Mr. Grande: You suggest you are still formulating it, but do I understand correctly that somewhere during the 13-year history of the council your education committee has made strong recommendations to the Minister of Education to amend the Education Act to allow for heritage languages to be taught during the school day?



Mr. Frolick: That is correct.

Mr. Hassan: There really are the two areas. One is the integration of multicultural components across the full curriculum so that all subject matters reflect the reality of the historical and social context of Ontario and Canadian society. The other is this question, which I think you are alluding to, where we speak in terms of providing opportunities for the cultural development and enrichment of particular ethnocultural communities within our society. We see those both as having a linkage but also as two separate questions that need to be addressed.

11:40

Mr. Shymko: Concluding that line of questioning, the private member's bill presented by Mr. Grande to amend the Education Act, if passed, will be a precedent-setting amendment because it addresses the nonofficial languages and opens the door to them.

Mr. Frolick: Indeed it will.

Mr. Shymko: That is an area I want to highlight. In the future deliberations of the council, that is the priority issue you will be seeing as impacting in a delivery of service of a multiculturalism policy. This would cease to be, as you point out, motherhood statements and become tangible facts.

Mr. Grande: What I am suggesting, with respect, is that the council has gone over that field, has dealt with it and has recommended to government that those changes should take place. The government did not accept its recommendations. That is where we are.

Mr. Shymko: If there is anyone who is aware of the recommendations presented and the recommendations denied, I can attest to you that notwithstanding which party or government was or is in power, this has been a serious problem with the council.

I would like now to address the issue of recommendations. I have 183 pages--all of these are recommendations of the council from 1973 to 1983--of a document called A Decade in Review: Ontario Advisory Council on Multiculturalism and Citizenship, 1973-1983. It is marked confidential. It was prepared by the then president, Dr. Mavis Burke, for presentation to the Minister of Citizenship and Culture, the Honourable Susan Fish. Because it is confidential, at one stage I had doubts whether I should share it with my colleague, but now that we are colleagues on the opposition side, I have no objections to giving this to my colleague in the New Democratic Party.

Since this was prepared by your predecessor, I imagine you have a copy of it.

Mr. Frolick: As a matter of fact, I gathered it all together and had it bound.

Mr. Shymko: You have bound volumes?

Mr. Frolick: Yes. All the recommendations and responses are in a bound volumes.

Mr. Shymko: If they are bound volumes, obviously you do not have bound volumes of confidential reports. Has it ceased to be a confidential report now?

Mr. Frolick: I am subject to correction on this score, but my understanding is that a recommendation made by the council to the government through the ministry is confidential until such time as there is a response. Once there is an official response, then the confidentiality is no longer in effect.

Mr. Shymko: On the question of responses or recommendation-denied cases, as those of us who sit on the Ombudsman committee know, when the Ombudsman makes recommendations to the government and they are denied, he has a standing committee he can fall back on, so to speak, and ask to support him in recommendations that are denied. This is why the Office of the Ombudsman is so effective. It then goes to a legislative standing committee, which takes the recommendations denied and presents them in a report of the committee before the entire Legislature. That carries such weight that normally 99 per cent of the recommendation-denied cases are finally implemented by the government.

There is no process or procedure of a similar fashion for an advisory council such as yours, and this indeed is a problem. It is a problem with any boards, agencies or commissions whose recommendations are not responded to. Your explanation of why this is so is that these "recommendations...were considered at a very low level by bureaucrats...well below the rank of assistant deputy minister. Ministers and civil servants above that level never saw or considered the recommendations submitted to the government by the council or judged them on their merits."

Are you saying on the basis of evidence and facts that most ministers have never seen these recommendations? I tend to agree with you. I just wonder whether you have any evidence, any statement or something that perhaps the ministry, deputy minister or assistant deputy minister levels had never even seen these recommendations. I can tell you most members of the Legislature rarely read all the reports we are flooded with, unless you are a critic, as in the case of Mr. Grande or myself, in which case we would go through these recommendations.

In the case of a ministry you advised, it is shocking that you, a body representing some 37 per cent of the population of Ontario, are advising a minister and that neither the minister, the deputy minister nor an assistant deputy minister sees these recommendations; they are handled by low-level bureaucrats. That is why they are not implemented.

Mr. Frolick: It is a sad state of affairs because, as you have indicated, not only is there no recourse; there is also no appeal from a rejected recommendation. Also, I do not think I was ever advised. As far as I could find out from my predecessor, the process of examining and weighing the recommendations was not known to us. What exactly takes place? Who looks at these things? How is it done? Although I have no evidence to offer, I have this information to offer, which is indicative of what it is.

During my term of office, when the government took power, there have been three deputy ministers in this ministry and three assistant deputy ministers. One of the assistant deputy ministers--not the current one but the one before--met with me and told me that in effect they were putting in place a new way of dealing with our recommendations. She is the one who said it was done on a very low level with civil servants.

Mr. Shymko: "She" meaning the minister?



Mr. Frolick: No; the ADM. She told me that was how it was being dealt with all along. Henceforth, the new policy would be that our recommendations would come to her as the ADM. Of course, as the president, I would still submit them to the minister. When you say the minister will be able to see it, she has it, but whether she chooses to read it or not, I do now know; then presumably she gives it over to the ADM.

The ADM considers the matter on its merits. If it pertains to another ministry, as our recommendations sometimes go across all the ministries--educational matters, labour matters and so on--she said the policy would be to take up the matter with her counterparts on the ADM level in the other ministries and get their input. Then they finalize their official response. That was supposed to be a new policy, which is presumably in effect. I based my statement on that information.

Mr. Mitchell: Excuse me, Mr. Shymko, if I may. On a point of order, Mr. Chairman: The discussions here could be ongoing for quite some time. When I was acting during your absence, Mr. Shymko requested of me the possibility of having a further meeting. It would be appropriate because the time is running short right now. There is another issue I have raised with you to be discussed. It might be prudent to request of the House leader, because I presume that is the way it would have to be done, permission for us to sit at another time this week, while Mr. Frolick is still the president, to finish this discussion. If that is agreeable to the committee, I would suggest this might be an appropriate time for us to adjourn this session because there is another matter that should be discussed in camera.

Mrs. Marland: Could we poll the committee members and see whether they are available this afternoon?

Mr. Shymko: First of all, I have an agenda of this meeting for today. I see the Ontario Advisory Council on Multiculturalism and Citizenship. Unless some statement was made prior to my arrival, can I ask what other matter is to be discussed and why we would be postponing the questioning of the--

Mr. Mitchell: It is something I am aware of, but I tried to arrange it in camera.

Mr. Shymko: I would like to ask the chairman. We agreed to sit till 12:30 p.m.

Mr. Chairman: We have agreed to sit till 12:30 p.m. and I do not see any change in that.

Mr. Shymko: Thank you.

11:50

Mr. Chairman: The other matter, which I do not think needs to be done in camera--

Mr. Mitchell: You do not think so. That is fine.

Mr. Chairman: --is the request of the minister to appear before this committee. Obviously, we do not have time to do that today. Hence, if we are going to do that, we will need to have another meeting, whether it be this afternoon or tomorrow. Perhaps the clerk can check to see whether the room is available this afternoon.

Mr. Mitchell: In deference to Mr. Frolick, we owe it him, first, to finish this discussion properly and, second, to do it while he is still president.

Mr. Chairman: Absolutely.

Mr. Mitchell: It would be presumptuous of us to deal with it in any other fashion.

Mrs. Marland: That is important, but I do not think it will be completed in 40 minutes.

Mr. Mitchell: That is my point. We have to reserve some other time for it as well.

Mr. Chairman: If we request the government House leader to give us permission to sit this afternoon, I imagine we can get a rather quick answer.

Mr. Ferraro: Could we find out Mr. Frolick's reaction to all this dissertation before we make a decision?

Mr. Chairman: Mr. Frolick has indicated to me he is available all day. Is that correct?

Mr. Frolick: Yes. I am at your service.

Mr. Ferraro: Fine.

Mr. Mitchell: I may not be. I am on House duty this afternoon. I may have to get a substitute.

Mr. Shymko: Unless I complete my questioning by 12:30 p.m. or so, since Bill 7 is on the agenda and I have some motions or amendments to present, I may have a problem coming back. Did you suggest after routine proceedings today?

Mr. Chairman: That is the only time that is available to us.

Mr. Shymko: I support the motion, if it is a motion, from my colleague that we come back after routine proceedings today. I support that on the basis that some of us may move in and out.

Mr. Chairman: That is understandable. We have two in agreement. Mr. Ferraro, do you have an opinion on that? Are you agreeable?

Mr. Ferraro: That is fine.

Mr. Grande: I may be available for a certain amount of time but not for another amount of time. I would like to be here for this.

The other thing is that I hope Mr. Shymko will appreciate that other members may have questions. If he intends to take the time till 12:30 p.m., we are going to be in a bit of a bind, to say the least. I have some questions. I hope the questions are asked as opposed to requiring debate in terms of the advisory council. Otherwise, we will be here for three weeks.

Mr. Shymko: I will try to discipline myself. It is the first time we have had an opportunity as a committee of the House to meet exclusively with the advisory council. In the 13 years of its existence, it is historic.



Mr. Chairman: We can talk about how wonderful it is, but we are getting nowhere and we are running out of time. Could we have agreement that we sit this afternoon?

Mrs. Marland: Yes.

Mr. Shymko: Yes.

Mr. Chairman: What about the appearance of the minister and when? I see no particular point in having the minister here at the same time as Mr. Frolick, because I am not anxious to have a debate.

Mrs. Marland: No.

Mr. Shymko: When we complete our questioning of the president, members and representatives of the advisory council, we certainly would like to have the minister appear and address some questions to him.

Mr. Chairman: Could you determine whether the minister is available this afternoon?

Interjection: I will check on the minister's availability this afternoon.

Mr. Chairman: Thank you. It might be on a moment's notice after we finish with Mr. Frolick. Will you check that out?

Interjection: Before 12:30 or in the afternoon?

Mr. Chairman: In the afternoon after question period. We will want to deal with Mr. Frolick first and then perhaps the Minister of Citizenship and Culture (Ms. Munro) will wish to come in.

Mr. Shymko: Are we agreed?

Mr. Chairman: Subject only to the House's agreeing.

Mr. Shymko: Are you putting the question of whether we should meet?

Mr. Chairman: No. We have all agreed. We did a poll; we are meeting. On with your questions, Mr. Shymko.

Mr. Grande: Mr. Chairman, I apologize--

Mr. Shymko: Your apology is accepted.

Mr. Grande: --but if Mr. Shymko intends to go on till 12:30 p.m. with his questions, which obviously are legitimate questions that should be asked, none the less other members of the committee will not have a real opportunity to ask any questions. I do not want to get into time limits or to restrict it to two or three questions by each member, but I will leave it up to Mr. Shymko to do that.

Mr. Chairman: I am sure Mr. Shymko has heard that and is going to govern himself accordingly.

Mr. Shymko: I have met during committee deliberations with my honourable colleague, and I have always respected him in the questioning he

deemed important. I know he was willing to discipline himself.

Mr. Chairman: Could we get on with the questions, please?

Mr. Shymko: I will try to do that.

I have been very upset, as all of us have, by the so-called leaked document of someone in the ministry staff, which was apparently available in the Office of the Premier, saying the council, under the chairmanship of Mavis Burke, was mostly ineffective in the past three years, referring to 1982-85. I will not repeat the remarks we have all made about the insulting reference not only to a very effective chairman but to all 60 members of the council who worked very diligently in those years.

If one judges the ineffectiveness of a council on the basis of recommendations that have not been implemented, the minister and whoever drafted the document would have been applauded. If the statement had been about the ineffectiveness of the government or the minister in delivering the recommendations, that is a different question. To blame the advisory council for ineffectiveness because recommendations have not been implemented is very insulting. I agree with the president that it is an apt observation of Dr. Burke that the council is an advisory body and cannot be held responsible for recommendations not implemented.

This is an issue that will continue. The problem is not the lack of implementation of recommendations, as I understand it. Please comment on this. All recommendations from any advisory agency, board or commission of the government can be denied. It is up to the government to decide what to do with these recommendations, including the Ombudsman, who is venerated and holds a very important position. The problem is responses to recommendations. That is the key issue.

I recall one precedent. It may be in your records. Phyllis Rowe will recall that five recommendations were presented to the government in late 1980 and received a response. Within six months of the recommendations having been forwarded to the government, there was a full response to every recommendation. The year was 1980 or so. You may have to check that. This was done on the basis of the chairman. It may have been related to the pending election, which was in 1981. The pressure of an election, perhaps a foreboding of all sorts of implications that governments do not react, may have been the key. A request was made at the time that the government reply to these recommendations in an urgent manner.

Do you have requests that there be a response when you file recommendations? Do you give a time frame or do you leave it at the discretion of the minister to respond?

Mr. Frolick: The minister is bound by the order in council, which is very specific. If I can find it, I will quote the exact words. It is not up to me to--

Mr. Shymko: There is no time frame, though, in the order in council?

Mr. Frolick: Yes. The order in council reads:

"The council shall submit written recommendations semi-annually with regard to the above to the government of Ontario through the Minister of Citizenship and Culture.



"The ministries and agencies to which the said recommendations apply shall submit without delay responses to the council through the Minister of Citizenship and Culture."

Although "without delay" is not defined, I suppose a reasonable time applies, so it has to be done within a reasonable time.

12:00

Mr. Shymko: You referred to that in your statement. You have not received any formal responses to the recommendations you submitted in September 1985, which is a year and two or three months ago, as well as recommendations submitted in March 1986.

Mr. Frolick: Yes. I might clarify that I submitted the recommendations with an official letter to the minister. I received a letter from her a personal letter acknowledging that she received this. When I brought up the matter with the assistant deputy minister I said, "Use your good offices and tact and diplomacy to please remind the minister that the responses are still outstanding." She came back to me and said, "The minister sent you a letter." I said: "Yes, but that was a personal letter. It is not the kind of letter I would add to the binder and treat as an official response of the government." She said, "All right, we will address that problem." I presume it is being addressed.

Mr. Shymko: I guess it would have to be picked up by others, possibly critics in the House, to raise the issue and to pressure the government in responding to these recommendations. I feel the president of the council along with council members should inform the Premier of the lack of response, as he ultimately is responsible for the operation of all his ministers in all portfolios.

My other question is the advisory nature of your council.

Mr. Frolick: Mr. Hassan just mentioned and I have already pointed out that we did get responses to our legal recommendations that were passed in March. We got a response from those that we did not get a response from earlier.

Mr. Shymko: I have a copy of a speech--

Mr. Frolick: May I also say, Mr. Shymko, that it is important for the committee also to consider what is the best way of dealing with the matter. I do not see why it should be through the Minister of Citizenship and Culture necessarily. I think at one time it was directly to the Office of the Premier. I really do not know enough about the mechanics or which method would be the best but I think it is something that ought to be looked at to ensure the best means of horizontal communication. I do not know whether the current system is the best. I am not convinced.

Mr. Shymko: I agree with you totally because I would imagine there are at least six to 10 ministries involved in the delivery of services which could be defined as dealing with the area of multiculturalism. That brings me to a confidential document that someone slipped under my door. It is a cabinet submission from the Ministry of Citizenship and Culture dated October 16, 1986, entitled, "Multiculturalism: A New Strategy for Ontario". It speaks of the new policy that will be announced, as far as I understand, in February 1987. It is a five-year plan that will be reviewed yearly and the first review

is to happen in February 1988. The date of February 1988 is referred to on at least three occasions in the various documents. It may refer to some event that may be happening in the spring of 1988. It may possibly be an election, but it may not be.

Mr. Ferraro: We hope 1987.

Mr. Shymko: Hopefully 1987. It will probably be 1987 when the announcement is made of this great policy, we do not know. But it is interesting the key dates that are referred to.

Are you familiar with this document entitled, "Multiculturalism: A New Strategy for Ontario" which is supposed to be the new policy of the present government?

Mr. Frolick: Yes, I am.

Mr. Shymko: Have you received copies of that policy?

Mr. Frolick: I believe so.

Mr. Shymko: In a letter from David Silcox, Deputy Minister of Citizenship and Culture, to Alan Adlington, Deputy Minister of Colleges and Universities, dated October 20, he says, "On October 3, 1986, the cabinet committee on social policy hosted a meeting, to which I understand your ministry was invited, for the purpose of discussing the proposals for a new government position on multiculturalism."

The reply from the Deputy Minister of Colleges and Universities and from the Ministry of Skills Development was that they never received an invitation. They were very upset that as key ministries in delivering and impacting on the delivery of multiculturalism perspectives they were not participants. In the confidential reply that they sent to someone analysing that policy position, some very interesting statements were made, which I raised with the minister during the estimates.

I will not go into details for the sake of time but I want you to know about some of the issues that were raised. These are real criticisms. This is the view of a major ministry. For example, the concerns of the Ministry of Skills Development are as follows:

The prohibitive cost that may be incurred in the area of contract compliance; tailoring delivery mechanisms of this multicultural policy, in other words, costs, may be a problem; the appropriateness of promoting a diverse melting pot philosophy as opposed to a Canadian-Ontario culture. The ministry feels maybe we should not promote diversity and vive la différence, as in the motto of the League for Human Rights of B'nai Brith and all minorities. Instead, maybe it is more appropriate to promote a diverse melting pot philosophy. This is a statement from a document of a key ministry.

They also refer to the lack of clarity in monitoring enforcement mechanisms. They refer to the use of the individual-oriented charter as a cornerstone for a policy that is primarily aimed at groups of people.

Have you and your council been involved in that policy draft?

Mr. Frolick: Very marginally.



Mr. Shymko: Can you explain what is meant by that? Before you answer, I would like to quote the minister, who in an address to the Ethnic Press Association convention held on November 21, 1986, at the Toronto Press Club said the following. I quote from page 9 of the press communiqué:

"The revised directions for multiculturalism in Ontario are now being drafted. We are using the results from our think tanks and dialogues"--which I referred to earlier--"as well as"--and please note--"a great deal of input from the Ontario Advisory Council on Multiculturalism and Citizenship."

The minister says here, "a great deal of input." Can you tell us the impact you had on the formulation of that policy?

Mr. Frolick: The first inkling I received that we would be asked to participate in the formulation of a new policy was by receiving a news release dated August 13, which is normally delivered to all people in the government, I suppose, and a copy of the minister's speech delivered on August 13 at the Art Gallery of Ontario on the topic of new directions in multicultural policy. There was also a reception.

I found out for the first time in that way--not officially, not by any communication, but as I say, through a press release and a speech that were delivered in the normal course of events--that the minister had restored the budget cuts, for example. I read from her speech:

"Today, I am delighted to further underscore that commitment by announcing an increase in the council's budget. This will include \$79,100 in operating funds and \$68,600 in salaries and benefits for new staff. Overall, this translates into a budget growth of 58 per cent for the council.

"We will need these additional funds, because during the next few months we will be"--it is in the future tense--"calling on the council to help us shape a new multiculturalism policy for Ontario."

Mr. Shymko: What is the date of that?

Mr. Frolick: That is from her address to the press on August 13 at the Art Gallery of Ontario.

The curious part of that--and I cannot resist underscoring this, because it indicates the kind of Alice in Wonderland relationship we had--is that I am the president of the council and I was not invited to this press conference. The newly appointed members and some old members of the council were invited, but I was not. The minister sent out written invitations but I had no idea about this. As I say, I found out about it two days later when it was delivered by ministerial courier. I replied to the minister:

"I am pleased to receive the information in your press release that our funds have been restored. I thank you for this. I notice also that you will be asking us to contribute to shaping a new policy. Personally, and on behalf of the council, I pledge our whole-hearted support that we are working together with you in this regard."

12:10

Nothing more was done until September of this year, when we received a call that the minister had set up a special committee to formulate renewed policy on multiculturalism and that they would like to meet with our executive

committee in the minister's board room. If you remember the date, it was September what? I do not know but it was September--

Mr. Hassan: Late September.

Mr. Frolick: Late September, yes, the end of September last. When we met there, Craig Shields, who, I suppose you might say was the convener of that group, presented some visual aids indicating the diagrams and basic things. We had a very good discussion with the staff about things. The minister attended, the deputy minister and the assistant deputy minister.

At that time, I also made off-the-cuff statements about how we would be very pleased to work with the minister in formulating a new policy if he thought there was any merit to it. We would strike a special committee to work with the minister's committee in tandem in this regard. The offer has not been taken up, as far as I know. We have not been invited to any future meetings; so I do not know what the status is.

That is the way the matter stands at present. We did have a marginal role initially. Also, when the Minister without Portfolio responsible for multiculturalism (Mr. Ruprecht) decided to go on this dialogue process across the province, one assistant deputy minister and another person in the ministry met with me and asked if I would facilitate this matter by providing names of people to be invited from the ethnocultural communities in the locales in which these talks were to be held by Mr. Ruprecht. I had submitted names or had asked our council members to provide lists to facilitate that. That is the extent of our input in this matter.

Mr. Chairman: Mr. Shymko, I dislike interrupting your line of questioning but I think I did agree some 20 minutes ago on a degree of fairness and I will ask you to yield the floor to Mr. Grande.

Mr. Shymko: If you followed my questions you would see I am moving in the direction of a very important aspect. A body that is an advisory body to a minister has been totally and completely ignored, except for providing names of individuals who should tell the government what the policy should be. The advisory body whose mandate is to advise has been ignored. The contradiction is one of public statements made by the minister and the reality of that. I think it is a major point. It may be the culminating point of my questioning.

I do have a lot of more questions, but I will yield on the basis that I would like the opportunity, at a future time when we continue to deliberate, to continue my questioning.

Mr. Chairman: I am sure your comments and some of the answers have not been lost on committee members. I can assure you that when we come back this afternoon, God willing, you will have an opportunity to continue questioning. In the spirit of friendship and the Christmas spirit and everything else, Mr. Grande now has the floor.

Mr. Shymko: I want you to know I have not completed my questioning.

Mr. Chairman: I am well aware of that.

Mr. Grande: The sound of your gavel is music to my ears. Thank you.

Mr. Chairman: Now we will hear a symphony of comments.



Mr. Grande: No. Mr. Shymko, I do appreciate the types of questions you are asking and the comments you are making. I think, obviously, we need to discuss and debate this, but perhaps this is not the time. Perhaps we should ourselves suggest to the government in different ways that a three-party task force on multiculturalism ought to be established to seek input from all people in Ontario. However, I am going to deal with my question in terms of the advisory council, its structure and its mandate. My intention is to strengthen the council, not to abolish it in any way, sense or shape.

I listened carefully to what Mr. Shymko was saying and to what you were saying. Is it fair to assume that the present Minister of Citizenship and Culture has no confidence in the council in terms of its input and recommendations? Pardon me if I interrupt you. It seems the ministry is making a circle around you, frankly, in going out to the province, getting this input and relaying it through a press release. What is your feeling?

Mr. Frolick: I do not know whether it is a lack of confidence. Certainly, it is not an indication of any co-operative or joint effort to develop these policies, as one would expect. Whether the fact that the council is ignored is a sign of no confidence or whether they think they can do a better job or they want to use other means, I do not know. It is hard for me to tell you exactly what the motivation is. The net result is that we feel rather impotent, with our hands tied somewhat, because, after all, that is our job.

For example, the conference that was held--perhaps you might help me. I am referring to the one on education and race relations that was held by the three ministers, the Minister of Education (Mr. Conway), our minister and somebody else. Are you aware of it, Mr. Grande?

Interjection.

Mr. Frolick: It had very good participation from all over the province and so on. We were not invited to participate as a council, although we had our members there, and one of them was on a panel discussion or something of that nature.

The report that got back to me from the members of the council included a stated regret that the minister, in all the discussion of multiculturalism, never once mentioned the existence of the council, the council's contribution, the council's job or the council's mandate in the field of multiculturalism, as if the council never existed, as if it were a non-thing. This was underlined by the participants in their report in the form of regret that the minister, under whom we come and who ought to have done that, completely ignored the very existence of the council. No mention at all was made of the council at this forum.

I do not know why this attitude existed, but it was there.

Mr. Grande: You are saying the minister is not going around you but is ignoring you completely, as if you do not exist.

Mr. Frolick: In this case, definitely.

Mr. Grande: With regard to the position you took personally that led you to write and tender a letter of resignation with the Premier, did you at any time discuss your intention with the other council members? If you did, how did the other council members feel about it?

Mr. Frolick: I did not conceal and it was generally perceived and perhaps even mentioned by me to a number of people, including my colleagues present and certainly the executive committee, that we are labouring under a tremendous handicap; that it is very disappointing, unrewarding and frustrating; that I am personally very frustrated by what is happening and that some time, if matters do not improve, I would resign. I made no secret of that.

I kept the members informed of what was going on, the matter of the attempts to abolish the council, the severe budgetary cut, inadequate staffing, nonappointment of members. I wrote a report, because I thought it was incumbent on me--my duty, as a matter of fact, as president--to advise the members of the council of what was happening and the problems we faced. I laid out in quite a bit of detail all the developments that took place and what was happening. I kept them informed as best I could.

12:20

Mr. Grande: At that time, had the members expressed to you the same sentiments of frustration. Obviously, you got signals all over the place that the council was being ignored. Had they expressed to you the sentiment that they would follow suit and do likewise?

Mr. Frolick: Yes, some did.

Mr. Grande: I want to leave that, because I think we understand the kind of umbrella of uncertainty under which you are trying to perform your task. I know the 13-year history of the council, the number of recommendations that have been made to the minister and to other ministries and the fact that, to my knowledge, very few of the recommendations were accepted. I also understand some of the very fundamental recommendations, as far as I am concerned, appeared year in and year out in the reports, which means that the government was not responding to the recommendations. Formerly, on some years, I found those recommendations no longer appeared, which means that council members and council had become so frustrated that they said, "What on earth is the point of putting in these recommendations. We are not getting anywhere. Let us change tack here."

What structural ways do you see the changes are required in order for the council to become--I hate to use the word "effective"--a council to whom the government plays very close attention? Obviously, you have discussed that.

Mr. Frolick: I do not want to go into specifics because really we have not discussed the specifics, but generally I would say the council has to assume a higher profile or be put into a position of a higher profile. Obviously, the things I mentioned in my opening remarks ought to be considered, that is, giving it a more arm's-length relationship, but not untie the umbilical ties with this ministry.

There is no question in my mind that the effectiveness and credibility of the council rest on the fact that it has to be perceived and seen as independent of the government, something like the Ombudsman's office. Only then can it serve its purpose and can the government really ever gain profit from the work of this council. As long as it is a mouthpiece of the government, dependent on the goodwill of the government either to give us money or somehow withdraw the money and we are uncertain of the future, our existence is really debilitating. One cannot operate and do a good responsible job such as this.



Also, as I indicated, perhaps the way our recommendations are dealt with ought to be looked at. Perhaps a different route has to be established to the ears of the government, perhaps directly to the Premier's office, if that is a more effective way. We have not considered the specifics, but there are a number of areas that ought to be improved. Perhaps my colleagues might want to speak to it. Mr. Hassan, for example, has spent a lot of time thinking about the structure of the council. He did a thing that Mr. Eichmanis draws upon in his report.

Mr. Hassan: Perhaps one of the little noticed but important changes in the new order in council is an advocacy role for the advisory council. It was not until the most recent order in council--the council itself and Professor Alexander worked mostly on the position the council would take in this--that the council went out and did some solicitation, getting information and trying to use moral suasion, if you will, with agencies and ministries on particular issues that reflected council positions.

I think there is a very strong sense within the council that simply putting forward a recommendation is not sufficient to make a change, that other mechanisms have to be in place and that involvement is needed early on in discussions of the bureaucracy where policy and program decisions are made. If council members have an opportunity, even if it is only informal, to impact on the decision-makers, it will perhaps give a different perspective to those policymakers than would otherwise happen.

One of the concerns we have always had with respect to our recommendations is that when you do formulate a recommendation in a group such as the council, composed as it is of 60 members, you end up with relatively clear statements of policy without a lot of background and there is no opportunity for council members to interact with the people who are reviewing those recommendations.

In terms of the treatment of the recommendations, once they have gone from council to the government, there should perhaps be an opportunity for dialogue, to provide background and briefing on the reasons those recommendations are put forward in more detail than they are able in the kind of positions we take in council. I think that is important.

Most of the responses, if you review them, particularly in the very early years of council, were very terse responses as well that did not indicate a grasp of the issue put forward.

The third aspect of concern, which, with additional funding, we have now been able to address in part, is the matter of having the proper kinds of resources. A 60-member council can raise the issues and do some evaluation but it cannot do any amount of in-depth research work if all its members are volunteers.

We have never had a permanent research staff. We have relied on informal surveys, as we are relying right now in the southwest to do an informal survey of multiculturalism within the curriculum. We have done similar things with respect to the media, but all the documentation we have is not sufficient for us to be able to present it as scholarly or as an in-depth kind of review of the issue we are presenting. It does not carry the same kind of weight it would if we could go to a researcher and say: "Look, this is the issue we want to address and these are the parameters we would like you to work around. Prepare some material so that our committee members can review the issue and come back with a specific recommendation."

I think those are three specific areas that would be helpful to us.

Mr. Grande: I appreciate that. Obviously it goes some way in the right direction. However, because I am a political animal, and because you, during your statement, mentioned other advisory councils that seem to have more clout, my sense is that those advisory councils went around the ministry. They said: "These are the recommendations we want to make. Now we are going to get the support of our constituency out there towards those recommendations." That constituency brings pressure upon the government for change.

12:30

Do you have a constituency out there? Since the 50 or 60 members of the Ontario Advisory Council on Multiculturalism and Citizenship right now are appointed by the Lieutenant Governor by order in council or basically by the cabinet, do the individual members feel they are representative of a particular ethnocultural community or do they feel they are individuals free to act and suggest anything council might want to discuss but not having that base within the community?

I am trying to grapple with the structure of the council, to get back to the other thing Mr. Shymko was saying and to enshrine it in the statute, whether it be a separate ministry of multiculturalism or an act which establishes an Ontario Advisory Council on Multiculturalism. It is a two-barrelled question.

Do the members of your council feel they are representative of particular communities or are they there as individuals? As individuals, they do not necessarily have the need to go back to their roots or to the particular community they come from with respect to their recommendations.

Mr. Frolick: That is a very fundamental question. I will answer it. My colleagues may add anything they want because it is important.

There is another question inherent in the question you have put. To what extent do we use our constituency? I take it you mean political pressure. It is not proper for us because that is not our role. We are an advisory council to advise the government and not to use our constituencies.

We have done that. Very recently we were threatened with extinction as a council. Then we went to our constituency and the response of the press, from the ethnocultural communities and from the organizations was such that the government could not entertain the idea of abolishing council and changed its mind because of the unequivocal position the various ethnocultural communities took on the possibility of the council being abolished. That is when the constituency support was there and was used. To my knowledge, that was the only time it was used.

The order in council specifically states the basis on which council members are chosen. They are chosen for their involvement in multiculturalism and their knowledge of it, rather than as representatives of individual groups. They are there because they personally know a lot about it. They personally have experience in the field and they have access to not only their own ethnocultural group but other ethnocultural groups in the geographical area from which they come or from which they are appointed. I find nothing wrong with that, provided they are knowledgeable and have the expertise.

Manitoba has a different criterion. The ethnocultural organizations



themselves have a selective or appointive process. They appoint their spokesman or representative to take part on the council. The council is a parliament representing people who have been elected by the various ethnocultural groups. It is not done on a proportional representation basis or on size or numbers. One community, no matter how large, has the same number of delegates as a small one. It is not representational in that sense.

If you ask me personally what I think about it, I do not like it because the members do not represent multiculturalism per se. They may tend to represent the interests of their individual groups. On the forum of the council, they may fight for their particular, individual interests. Interests change from group to group. Their priorities are different.

Here, there is a unifying factor. They are all engaged in it, they have expertise and they have to work for an overall policy. In my view, our model is preferable.

It is pitiful that we have a 60-member council and, as I have indicated, I started with a receptionist, a secretary and an administrative assistant. The secretary is described as secretary to the president. She does my correspondence and things such as that. There is no secretary for the 60-member council. There is nobody to do the members' work or to type their minutes. One secretary has to do all that. That this type of situation has been permitted to exist gives you an idea of how the council has been perceived. It is laughable. A 60-member council should have two secretaries and three researchers. We have one secretary, who is the president's secretary. To this day, we have only one secretary.

Mr. Chairman: We agreed on 12:30, and this would be an opportune time to recess for lunch until after the House. The correct time is 12:37. I hope the House will grant permission for the committee to resume after question period, which could be some time between three o'clock and 3:30. We never know for sure. It depends on how interesting the House is.

Mr. Frolick, can you and your associates stay around? If we get permission to meet this afternoon it will be in committee room 2, which is almost directly below us on the first floor.

It will be between three o'clock and 3:30. It varies to a degree with the length of the questions, answers, statements or whatever.

Mr. Frolick: Should we be there at three o'clock in any event?

Mr. Chairman: When you see the members streaming towards committee room 2, that is the time. If you go by the punctuality of our members, if you are a little late, we will not be mad, as long as you do not get mad at us.

Mr. Grande: Mr. Chairman, will I then have an opportunity to continue with the questioning?

Mr. Chairman: You may.

Mr. Frolick: My colleagues will have some answers to the questions you posed to me.

The committee recessed at 12:38 p.m.





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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP

WEDNESDAY, DECEMBER 10, 1986

Afternoon Sitting



STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Ferraro, R. E. (Wellington South L)

Grande, T. (Oakwood NDP)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Marland, M. (Mississauga South PC)

Ramsay, D. (Timiskaming L)

Sargent, E. C. (Grey-Bruce L)

Smith, D. W. (Lambton L)

Substitution:

Shymko, Y. R. (High Park-Swansea PC) for Mr. J. M. Johnson

Also taking part:

Haggerty, R. (Erie L)

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Malcolmson, P., Research Officer, Legislative Research Service

Witnesses:

From the Ontario Advisory Council on Multiculturalism and Citizenship:

Frolick, S. W., President

Hassan, H., Vice-President

Alexander, P., Convenor, Southwest Region

Rowe, P., Administrative Assistant



LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Wednesday, December 10, 1986

The committee resumed at 3:47 p.m. in committee room 2.

AGENCY REVIEW  
ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP  
(continued)

Mr. Chairman: Mr. Grande, you were in full flight when we left, so you might as well continue. You have won the battle with Mr. Shymko.

Mr. Grande: I do not know about the full flight; I was interested in asking questions. When I get into full flight, you will know.

We were talking this morning about structural changes, and I was inquiring about appointed members of the council and whether that in itself is a structural problem in the sense that if the members of the council see themselves as being appointed by the government in power, then do they see themselves as being there to do what the government in power wants them to do or are they there to give voice to the concerns of the 40 per cent of the people in Ontario who have neither English nor French as their background? I have put that in the form of a question, I hope.

I ask you to answer that because my feeling is that the first I have mentioned appears to be the case.

Mr. Frolick: I can answer very shortly, I think: I say it is the latter. I do not know of any member of the council who has taken the position that he is a spokesman for the government because he was appointed by it. I think they all take their duties very seriously and, to the best of their abilities, discharge their duty as they see it, and that is to articulate the needs, desires, aspirations and so on of the ethnocultural communities from which they have personally sprung and of the other ethnocultural communities in their geographical area with whom they work or have some relations.

When the recess started, I had answered your question. I indicated that my colleagues would also like to answer the same questions so that perhaps you can get a cross-section of opinion. Whoever wants to be first; do not fight over it.

Mr. Hassan: There are two ways of selecting the members of council: either by government appointment or with some input from the ethnocultural communities, whose views we hope would be reflected in the deliberations of the council.

We have heard the criticism that the individuals on council are not, in the true sense, representative of their ethnocultural communities and that there is no input from the communities in their appointment. However, if the appointments were to be made in that way, I think there would be considerable difficulty in getting, first of all, geographic representation, which we believe is quite important. There is a tremendous difference in the problems with respect to multiculturalism when you are talking about southwestern Ontario, Metro Toronto or the northern region of Ontario. The differences are

immense and they need to be addressed with some sort of geographic distribution. The council has made representations to the Premier and the minister over the years to ensure that this kind of geographic distribution happens. In recent years it has been reasonably well represented across the province.

The other point about relying on the ethnocultural communities to make the selection is that many of them are based in Toronto. In fact, the largest components of most of the ethnocultural communities of Ontario have their largest numbers in Toronto. You would get a tremendous skewing in the membership. If the choice were made by the communities, it is likely that the bulk of the representation would be from the Toronto area.

Finally, I would like to reiterate the point Mr. Frolick made. There is the question of whether you are Canadian or whether you belong to some other ethnocultural or national identity first. It seems to me that Canadian culture is one that says not only that we have cultural retention--and by that I emphasize that I do not mean a static kind of cultural retention where you transplant in Canada the identical culture you brought from your native land--but also that you allow it to evolve in Canada to develop a Canadian variant of the basic culture, which is still identified as French, Italian or whatever the root was but is at least Canadian.

That being the case, it is important that the evolution happen. However, it is also important that there be some hooks or links to Canada and Ontario as a whole. There is a need for cross-cultural identification for us to develop links with our neighbours who are different from us--not in an assimilationist sense--so that we can have a better appreciation of their differences from us even within the minority communities.

If we come to council with the orientation of a solitary community, without the overall, overarching perspective, I think we lose a tremendous amount.

From the point of view of illustrating that, I might use our interfaith committee, which is made up of almost all the faith communities that are represented in Ontario. It is a unique kind of committee. If the people there were to be spokespeople for their particular faith communities, they could not speak with the kind of freedom or openness with which they are able to speak as unofficial representatives.

They can tell us what their organizational faith communities would want them to say, but they can also provide us some insights into how we might get some movement. A tremendous amount of negotiation goes on in trying to reach a consensus in that kind of diversity and that kind of group that searches for the common good. Therefore, I think it is important as well that they not have those direct linkages that force them to say precisely what the community would want them to say officially but that they be allowed to have some openings and opportunities to say what the sense of the community might be.

Mr. Alexander: I have very little to add to what has already been said about the perspective council members see themselves coming from, except that when I came on council two years ago I was impressed by the fact that most members seemed to have been filtered into council through the best of the processes that have been described. That is, it appeared that most of the people had active involvement in their own ethnocultural communities and some involvement in cross-cultural contexts, and they came to council with that background. There were relatively few who seemed to have been selected on a



very superficial basis. That has given the backdrop of human resources in which the kind of thing that Mr. Hassan has described can actually take place, that kind of very healthy interchange coming from a wide variety of perspectives.

Most of us do view ourselves as having come from a background of community activity and involvement and we are not likely to give that up. Yet not being official spokesmen for any particular community but having its perspectives behind us, and also some interaction between our own community and other ethnocultural communities, we have a bit of a vision of what all of Ontario could be like in that regard.

The downside of this current appointment process is that there are apparently some who are selected on a more superficial basis. As Mr. Hassan has indicated about the alternatives, there are negative aspects to trying to deal with representation in a more structured sense. That would also create more problems than not.

Mr. Grande: I am trying to grapple with the question of the Ontario Advisory Council on Multiculturalism and Citizenship having the clout that I feel is necessary in order to bring about changes here in Ontario. I find myself not having a definition of multiculturalism, which means that you and the 60 other members are continually moving across the province and hearing one definition here, one definition there, one definition there, depending on the particular orientation of individuals; depending, if I may say so, on the length of time a particular cultural group has been in the country or in Ontario; and depending on the integration process and where in the integration process that particular community is.

As a result of that, as an advisory council you will never be able to develop that support in the wider province, as, for example, Franco-Ontarians will be able to develop support because they know exactly what they are about and there is an agreement.

In terms of the heritage languages and in terms of the recommendation that was made many years ago by the Ontario advisory council, if I know anything about Ontario and about multicultural groups from Windsor all the way to the north, there has been almost a consistent demand that language preservation, as a language of instruction and as a subject of instruction, be instituted in our public schools.

At the time you made that resolution, the government did not accept it. That was it; it was finished. What you did was to go back to the education committee at that time, debate it some more and decide whether to put it in your next report or not, instead of getting--not necessarily you--and organizing to put those recommendations out to the different multicultural communities in Ontario and to say, "If you believe this is so and if you believe this is correct and should be done, then this is what the political process is about."

This morning you were saying that the only time this kind of thing had happened was when the council itself was in jeopardy of being disbanded. I am saying to you that this is the kind of clout you have. When you consider the opinion of the 60 people and come to conclusions, come to recommendations, then you have to find effective ways of moving those recommendations through government. The extent to which you find effective ways will determine the kind of clout that council has.

I am trying to find ways that can strengthen the council. Your opinion is that the people on the council should be appointed as individuals and not necessarily as community representatives.

16:00

Mr. Frolick: The way it has been done was, I think--provided it is done the same way. If the same criteria laid out in the order in council are followed carefully, slavishly, we will get that result. If other criteria come in, political considerations, they will perhaps be the death knell of the council.

I do not know whether you know Professor Keith McLeod. He was a member of our council for five years. We invited him to address our most recent annual meeting. He said something very interesting and pleasing. He cherishes the fact that when he was appointed, nobody asked him what his political affiliation was. He was on the council for five years and nobody asked him whether he was a Conservative, a Liberal, a New Democrat, a communist or whatever. Nobody asked him, and he never asked anybody else on the council. They worked very well together. He said that this was the strength and value of the council. I agree with that. I had never thought of it, but that is very important. That must be maintained.

Mr. Grande, you placed your finger on the dilemma when you talked about the issues. The Council for Franco-Ontarian Affairs deals with people with the same culture, religion and so on. We are a heterogeneous group. We represent different races, cultures, religions--a disparate, pluralistic part of our society.

As you rightly emphasized, those of us who were born here, who are second generation or third generation, perhaps have a different perspective on things from the immigrants or, for example, the so-called boat people who came from Vietnam recently. Their interests, issues and problems are quite different. Even with residents of the same length there are different priorities.

For example, for people from eastern Europe--the Lithuanians, Latvians, Estonians, Ukrainians, etc.--whose languages and cultures are being threatened through Russification and so on, not having mother countries and living under an occupying foreign country, it is a matter of spiritual life and death to retain their culture and language. It is absolutely important, whereas, for example, for the immigrants from the Caribbean community, language is no problem, because their language is English. They do not have the same problem. Language retention means nothing to them.

Within this multicultural community you have a variety of interests, issues and priorities, and somehow it is our task to prioritize them and perhaps to give everybody a fair share in pursuing his aim. It is a difficult job. It may be a thankless job, but I do not think we can improve it, because that is the nature of our society. We have different people and different viewpoints, Weltanschauungen. The cultural requirements are different. I do not know what the answer is.

Mr. Grande: If that is the case, if each group wants something and if a disparate number of recommendations can arise, are we then ourselves--because I place myself as Canadian but belonging to a multicultural group--saying that we will allow ourselves to be treated as South Africa treats people, by saying there are different tribes in South Africa and they



fight one another and kill one another, etc., and be deprived all the time of the rights and privileges of this society?

The advisory council should be a uniting force, but if it does not have its roots firmly planted in those communities it becomes part of the government, as stated in the brief from the Greek community. You probably have it. The Hellenic Canadian Cultural Society produced a brief about restructuring the Ontario advisory council. As far as I know, the ethnocultural council that developed was a result of unhappiness with the Ontario advisory council. We are finding that instead of being a uniting force, it is breaking us apart.

Mr. Frolick: I do not think it is a disuniting force. I think there is a cohesion. I think there are roots in it. The personal commitment and conviction of each member of the council in believing in the value of multiculturalism, in the sharing and retention of cultural values, sharing and so on, all these things, is the uniting feature of all of us. That we have different priorities and perhaps different interests and pursuits means we cannot follow one course, as the Franco-Ontarians can. We have to follow a number of courses simultaneously.

We try to do whatever can be done for cultural retention. We do whatever we can for ancestral and heritage language teaching in Ontario schools. We can accommodate those whose priority is to seek better race relations because they are more prone to racism and prejudice. There is no contradiction in following different courses and that is what we attempt to do. We may dilute our meagre financial and human resources by going off into three or four different directions rather than one, but that cannot be helped.

Mr. Alexander: I want to take the opportunity to test my concept of what constitutes the core of multiculturalism by suggesting what that is. To me, it is an acceptance of diversity, of the various differences that make up what comprises Ontario's population. Within the council, we keep struggling with the balance between, on the one hand, what is necessary for group support in terms of enhancing cultural retention, the strength and internal self-sufficiency of the groups, and on the other hand, fully promoting the concept of the acceptance of the diversity, thereby strengthening and enhancing ways in which people with differences can access the system and be a full and accepted part of it.

There is that balance. In some contexts, times and places, there has to be more emphasis on cultural retention and strengthening, and in other contexts, times and places, there has to be greater emphasis on access and participation in the system that comprises what is Ontario today.

Mr. Grande: We are.

Mr. Alexander: That is right, and both aspects have to be dealt with in the context of accepting this diversity of expression, of viewpoint, of cultural background and so on. In allowing that to flourish, both aspects of that dichotomy have to be addressed.

It is no wonder that, as times change and our conditions change, the focus that seems to be uppermost at any one time shifts a bit, but council and its activities are trying to address this whole spectrum of requirements.

It is no wonder that as time changes and as our conditions change, that the focus which seems to be uppermost at any one time shifts a bit. However

this whole spectrum of requirements is attempting to be addressed by council and its activities.

16:10

Mr. Grande: Let me ask you about Multiviews, the paper you publish, for July, 1984 volume 3, number 1. This is where perhaps a lot of us begin to think in terms of the Ontario advisory council and its functions. Julius Hayman, who was as far as I am concerned a distinguished member of that council for many years, is paraphrased in Multiviews: "The government had allowed the council, for the second time in its history, to become dormant, and she"--meaning Dr. Burke--"faced the task of restoring the council's continuity. She was required to deal with a rather fractious council membership who deserved, and expected, recognition of the many years of service they had given their communities." Further down in the same article there is reference to "the government of Ontario, which would ensure that the council's services be recognized and that it be given the resources--financial and supportive--which it required."

That first quote I mentioned suggests that the council for the second time in its history has been, in effect, used by the government. If it is an advisory council of government, let us be clear that the government then decides the priorities of that council and then you, the 60 members of the council, will go ahead and try to solve the problems facing the government at any time that the government wishes. However, if you serve the multicultural communities, that has to be seen as separate and apart from government, because that is the only way those recommendations from you are going to make any sense to the government.

It is a statement you can respond to if you wish, but--

Mr. Frolick: It is hard to say what was in Mr. Hayman's mind. Another interpretation of the opening sentence you quoted might very well--this was before my time and I was not on council. I do not know but at least from my knowledge of the matters, he was probably referring to the fact that it was left rudderless, that the government of the day unfortunately did not fill the position of president for a long time. The council had no president and therefore was rendered completely ineffectual. There was an interregnum. Dr. Burke was appointed, I do not know how long after--

Ms. Rowe: Eight months.

Mr. Frolick: It was eight months without a council, you see. Eight months out of a year is not a praiseworthy thing to do. I think that is what he was referring to. I would concur with him that this is an undesirable attitude of the government.

Mr. Grande: I am sure other members have questions. Am I correct in understanding that the minister is not going to be with us today?

Mr. Chairman: Is going to be with us?

Mr. Grande: Is not going to be with us.

Mr. Chairman: Is not going to be with us; I am not sure. Is the minister going to be available today?



Interjection: Right now?

Mr. Chairman: Is the minister going to be available to us whenever we are finished with Mr. Frolick?

Interjection.

Mr. Chairman: Thank you. Perhaps we can defer then to Mr. Mitchell?

Mr. Mitchell: The questions I want to ask might have changed the whole direction of the session this afternoon. Giving some second thought to the comments I would have made, I think I will pass if there are others who wish to raise some questions. I have some views that might be contrary to some of those expressed around here.

Mr. Chairman: It never stopped you before.

Mr. Mitchell: I want to preface my comments; I do not want them to be taken as being the direction that I necessarily believe we should be going or that my party should be going. Some concerns have been expressed to me over the past number of years, concerns I have talked to other people about. I do not have any answers. Sometimes, I wonder whether we are dealing with things in the right way so. I am going to put you on the spot anyway.

One of the real problems I see sometimes, and others have raised it with me, is the question of whether we are going to become Canadians. I look at the melting-pot situation in the United States. I do not profess to know everything about it but I find that in the United States, although there may be people from Puerto Rico and all the other various nations in the world, they are first and foremost Americans. They may speak their language in their home but first and foremost they are Americans. We in Canada seem to be making ourselves Canadians secondarily. That is a perception that is shared by a number of people out in the community. How do you respond to that?

Mr. Frolick: I think you are quite correct. There are a number of people who hold that view. While I do not agree with it, I respect their view. They have a right to hold that view. We have to look at the historical facts. Canada is not the United States. There is the mere fact that this was historically a French and then a British possession. We have the French pact; Quebec is the home of the francophones. This puts an entirely different picture of Canada and the United States. In Canada, you cannot have a unitary society.

Mr. Mitchell: May I interrupt at that point. They also had that French fact in the United States in the area of Louisiana.

Mr. Haggerty: Northeastern United States too.

Mr. Frolick: Yes, but I do not think it is of the same magnitude. The cultural and linguistic retention and the cohesion were not there. The attachment to Louisiana as their ancestral home was not of the same type as that of the French Canadians who had lived for several generations in what now is the province of Quebec. Even if you wanted to introduce a unilingual--as you know very well from Canadian history, attempts to have a unilingual-type of government will not work in Canada because of the fact of the French.

I think the whole matter was brought to a head--you cannot understand what it feels like unless you do not belong to the two major groups. When the

Prime Minister of the day, Lester Pearson, appointed the Royal Commission on Bilingualism and Biculturalism, the very name already prejudged certain things over which there would probably be--

Mr. Mitchell: If I belonged to the other communities, I would have taken that as an insult.

Mr. Frolick: Yes, and that is what awoke people. All of a sudden they were talking about two founding races. Because of an accident of history, those two groups arrived earlier and settled the eastern part of Canada. Somehow, because of that accident of history, special rights and privileges were going to accrue to them. Those who came later who were of neither British nor French stock were going to be perceived as being placed in a position of second-class citizenship because they were not members of a founding race in the top echelon. That is not acceptable in any democratic society and as you say, it was demeaning.

That is why the great outcry occurred throughout Canada when the royal commission conducted hearings and entertained briefs. There was almost one voice against that, and that is when the idea of multiculturalism arose, the idea that this is not democratic, that we cannot differentiate, stratify or create classes in a classless, democratic society. We always have to be equal because of the historical fact of having two official languages. Within the context of the two official languages, we have multiculturalism. Everybody is free to pursue his own cultural values, preserve them and share them. Eventually, a distinct Canadian culture might emerge that will embrace the better elements of all the various cultures. In essence, that was the dream and I find no fault with it.

16:20

Mr. Mitchell: Do not get me wrong. I do not disagree with the need for the council on multiculturalism. In fact, I think its role is extremely important and I am disappointed in some of the things I have heard today. I understand the point you have been making. Quite frankly, I agree. As I mentioned earlier, the insult, although not deliberate, was there when they created the whole issue of bilingualism and biculturalism in Ontario. It comes back to how I should answer a person of Ukrainian origin who came to me and said, "I came here to be a Canadian." The only problem I have is that I cannot accept that to retain one's own culture prevents one from being a Canadian. A Canadian of Irish descent can have certain sentimental things about Ireland.

Mr. Haggerty: Do not bring in the Irish. If anybody has been discriminated against in Canada, it has been the Irish.

Mr. Mitchell: I have my tight wallet of the Scotsman.

Mr. Frolick: The Scots have their Scottish dances, their reels, their tartans, bagpipes and so on. That is great. The revival of Gaelic culture and language in the Maritimes is great.

Mr. Haggerty: In the Maritimes, yes.

Mr. Frolick: Does it make them lesser Canadians because they preserve some pride in their ancestry? Not at all.

Lord Tweedsmuir, who was a Governor General of Canada, made a statement that is quoted so often it has almost become a cliché, but there is an awful



lot of truth in it. In a speech he delivered in Winnipeg at one time, he said you are a better Canadian for being a better whatever you are ethnically, because if you renounce everything, all the culture, your past and everything you took in from your mother's breast, if you forget that and say, "I am a Canadian," you are not much of a Canadian. If you are going to discard something that is an integral part of your psyche and your culture, who wants a person like that? If he does not treasure the thing that ought to be treasured, what kind of a Canadian is he? What is he going to treasure in Canadianism, if he does that? He said that if you are a better German, Canadian, Lithuanian, Greek or whatever you are, then you are a better Canadian for it. I think there is more truth in that than saying, "If you are that, you are not a Canadian." I do not think that is true.

Mr. Haggerty: I want to follow up. When you bring the Irish into the picture, it really--

Mr. Frolick: That was for your benefit.

Mr. Haggerty: Yes, for my benefit. We talk about Canadian history, multiculturalism and the ethnic culture background of many of us. My father's side is Irish. I have often heard the stories from when they first came over from Ireland. They were mistreated here. They were dumped in the swamps around Kingston and they had to get out and struggle. They built the Rideau Canal and the Welland Canal. The point is that at one point we earned our citizenship without showing any prejudice.

On the point Mr. Mitchell was bringing forward, I look particularly at the United States, at Buffalo, at the cultural background there of the Irish. They say there are only two types of people in the world, the Irish and those who want to be Irish, particularly on March 17. Anyway, if you look at the multicultural society in the United States, as Mr. Mitchell said: "I am an American. That comes first." But they have all their cultural backgrounds. They have their clubs, their associations and the particular time of year when they celebrate certain special events that are dear to them.

What you find there, and it is different here in Ontario and in Canada, is that they are not Balkanizing themselves; that is the point that I think you were driving home. Sure, the state of Louisiana was purchased back in the 1700s, or the early part of that, but they bought out all the French rights in the United States. The difference between Canada and the United States is that they bargained over the years to get their independence that way, either from France or from Britain. That is the difference. They hung on to their culture.

You go down into the northeastern part of the United States. There are a great many French people there, but they do not say they are French-Canadians or American-Canadians. They usually say, "I am an American, but I speak French."

I find that in my particular area the German clubs are great people and great organizations, as are the Italian clubs. But it seems that sometimes the only time we can bring them together is on an ethnic weekend in the city of Port Colborne, which is quite an event. Every July they have a great week. It winds up on a Sunday with all the different foods at one of the parks. It is great; it brings in a number of people.

This year Fort Erie is starting to move in that direction. This year marks the 175th anniversary that we have had no serious conflict with our neighbours to the south, and we are celebrating. It is a festival of friendship.

Again, when you bring in the Irish picture there, I come from Ridgeway, which is the Battle of Ridgeway. The minute you mention Irish, they say, "You were one of those guys who came over from the United States to try to take over Canada." It is hard to bury that, but that is true. Then when I look at the other side of my family, who came from Pennsylvania, they were Pennsylvania Dutch. They were from Alsace-Lorraine, so that can bring in French, German and a number of them.

One of the things I find--and you hit on it, Mr. Grande--is the matter of languages. I married a French girl. Her father, who is still living, is from France, and he lives here in Port Colborne or Ridgeway. One of the things I regret is that she has forgotten her French. Yet we find that in Port Colborne there are a great number of French people, a French church--everything--but over the years, they seem to lose that. This is where I would endorse any area where multicultural groups should make every effort to maintain that second language.

In the world today you have to have a second language if you want complete communications throughout the world. The world has shrunk over the years. You can travel almost three hours and be back in Paris.

The problem is that I do not think it can be done in the schools without a heavy cost involved. We are having problems right now in my area. Many people in the public school system today would love to have their children taught French. That is not really provided in the public school system unless you get into the separate school system, where it is available, but not everybody has access to that. You cannot get it.

That is one of the faults I find with the multicultural thing. I know that in my area the Hungarians have a school where they want to send their children to maintain their language; so do the Italians and the Germans, in fact. I think this is great, and perhaps funding in that area to establish their own schools within their own cultural facilities is great.

The question comes, I suppose, and everybody asks, "When do you become a Canadian without standing up and saying, 'I am a Canadian'?" We seem to kind of forget that. I suppose you can blame much of it on dual citizenship. People come over here from Holland, France and other places now and carry two citizenships. This is one of the problems. Really, as you asked, when do you they become Canadian? It is different now.

Mrs. Marland: Excuse me, on a point of order. Excuse me for interrupting you.

Mr. Haggerty: I am through anyway.

Mrs. Marland: I just wanted to be sure we utilized the deputation's time to the utmost. We will be getting into that kind of discussion and debate, I am sure, later on in the committee, but while the deputation is here, we should utilize its presence by asking questions, if you think that is in order.

16:30

Mr. Chairman: Yes. I further suggest that since the minister has agreed to come or has requested to attend before the committee, I would like to limit the time until five o'clock so that we can allow the minister to come. Does the committee agree with that?



Mrs. Marland: I was going to suggest that we deal with the minister next week.

Mr. Chairman: The minister has requested that she be allowed to come. We agreed before lunch to allow her to come this afternoon.

Mrs. Marland: I thought we had agreed that she would come when we were finished.

Mr. Chairman: She requested permission to come today. The committee agreed just before lunch to invite her to come as soon as the delegation was finished today.

Mr. Grande: As I said this morning, I am able to be here for only part of the afternoon. I have other commitments this afternoon. When the House leaders discussed the committee sitting, I so indicated to the House leaders through the member for High Park-Swansea (Mr. Shymko). My understanding was that we would finish with the advisory council today and then the minister would come at another time. This was my understanding, and I agreed to the sitting this afternoon to finish with the advisory council. I want to be here when the minister is here. If I cannot today, that puts an unfair burden upon me.

Mr. Chairman: I stand corrected if I am wrong. I will have to ask the clerk to refer to what was agreed to before lunch. Was it not agreed that the minister would come today? We specifically asked her assistant whether she could be available today after we finished with the delegation. I recall that clearly. Maybe I am wrong, and if the committee wishes otherwise, then I am at the committee's disposal.

Mrs. Marland: With respect, I think it was left that she might be available, using your own words, on short notice, and her staff were going to find that out; but it was that we would hear from her when we finished with the deputation. I want to be here, as does Mr. Grande, when the minister is here. I also want to be sure we have sufficient time. I suggest that the meeting next week is an appropriate time to have the minister here.

Mr. D. W. Smith: The minister can be here, and if you had thought she was to be before the committee this afternoon, then I hope you would give her the opportunity to come here. If you are all going to leave, then I suppose it is not an awful lot of use to have her, but she has made the time available and she will be here.

Mr. Chairman: What is the wish of the committee? Let us get on with it.

Mr. Grande: Let us get on with it.

Mr. Chairman: I have heard your wishes, Mr. Grande. Can we perhaps hear from other members we have not heard from.

Mr. Mitchell: My understanding was, like yours, that it might be short notice but that it would be after the deliberations with Mr. Frolick and the council representatives today. At no time did I hear that it was going to be at one of the future scheduled meetings. I have to acknowledge that I did leave early, so I may have missed it.

Mrs. Marland: Hansard will show that Mr. Shymko commented that he wanted to be present when the minister was here. He also mentioned that he was placing a motion on Bill 7, which is being dealt with in the House this afternoon.

Mr. Chairman: Mr. Shymko also mentioned that he wanted to get back onto the questions this afternoon, so he indicated he would be here. He did not say he was going to be absent all afternoon.

We can talk about this all afternoon if you want; we have already done it for five minutes. I could not care less and I have to leave it to the committee. Let us have somebody make a motion of some kind and let us get on with it.

Mrs. Marland: My motion is that this committee adjourn at five o'clock.

What is your schedule, Mr. Grande?

Mr. Grande: At five o'clock I have to leave.

Mrs. Marland: We would lose the quorum anyway.

Mr. D. W. Smith: If we can have the minister here within a few moments, is that sufficient time for some of the members who have to leave in a hurry?

Mr. Grande: We have further questions to ask of the president and the other members of the advisory council. I gave away the floor because I wanted to be fair to the other members when they had questions.

Mr. Chairman: With the greatest respect, you had the floor for about 40 minutes, so I do not think you gave anything away.

I am not sure I have a motion. Do I have a motion to instruct the minister that we will not have time to have her today and that we invite her to come next week?

Mrs. Marland: It would be productive for the committee to have the minister here at the meeting next Wednesday, or whenever the next meeting is.

Mr. Chairman: Mrs. Marland moves that the minister be invited to attend the meeting next week.

All in favour?

We have two in favour and we have--

Mr. Haggerty: I cannot vote; I am not a member.

Mr. Chairman: Those opposed?

Mr. D. W. Smith: I am not opposed to this, but I wonder whether the minister can be here next Wednesday. That is what I was trying to find out from her staff.

Mr. Chairman: The motion is that she be invited. If she cannot be here, then obviously she cannot accept the invitation. Again, I am at the



mercy of the committee and I seem to have a vote that she be invited to appear before us next week. Can I have the vote again?

All in favour?

Mrs. Marland: Or when she--

Mr. Chairman: Let us be specific. We cannot say "when she can come," because we will not be here after Wednesday.

Mrs. Marland: Pardon?

Mr. Chairman: It is either next Wednesday or it is not, because we will not be sitting after Wednesday.

Mrs. Marland: We will not be reaching a conclusion on this matter next Wednesday either, so if it is impossible for the minister to be here next Wednesday, I suggest she come to the next meeting we have.

Mr. Chairman: My understanding is that the minister wants to appear before the committee in relation to this subject.

Mrs. Marland: That is the only reason she would be here.

Mr. Chairman: That is right, and this subject is going to be finished as soon as we have finished with Mr. Frolick and his associates. To suggest that we can have the minister here on the same subject in February or March is getting a little out of whack. We either deal with it next Wednesday or we do not deal with it. I have the motion.

All in favour?

Those opposed?

There are two opposed.

Mrs. Marland: Were the two votes opposed cast by legal members of the committee?

Mr. Chairman: Mr. Smith is a member of the committee and Mr. Mitchell is the vice-chairman of the committee. I think you and Mr. Grande are members of the committee. I am a member of the committee.

Mr. Grande: Obviously, you decide what is going to take place.

Mr. Chairman: I think it is improper, when a vote is in progress, to debate after all the votes have been heard from and we have a tie. The chairman is in a hell of a position right now.

Mr. Grande: Keep in mind that we lose quorum at five o'clock.

Mr. Chairman: In view of the fact that there seems to be a problem as far as committee members are concerned and that there are further questions for our initial guests, I have to side with those in favour of the motion.

Motion agreed to.

Mr. Chairman: We will continue on with Mr. Frolick and his associates and we will have all these questions that we have been hearing about.

Mr. Hassan: I wonder whether I might react to some of the comments with regard to Balkanization and this question of being Canadian first and that identity. One of the important aspects is something that both my colleagues referred to earlier; that is, what is a Canadian? In our view, a Canadian is one who recognizes and respects the diversity of the cultural traditions that exist in Canada.

If we are talking about the kind of blind nationalism that exists in the United States, if that is what is intended as far as Canada is concerned, I think we have to look at the Canadian tradition as one of negotiation, reconciliation and resolution of problems rather than confrontation, which is the mode of resolving these kinds of issues in the United States.

16:40

Moreover, in my view, the reality of the ethnocultural communities in the US is a myth if it is perceived as a melting pot society. There were some earlier allusions to neighbourhoods in which very large segments of the ethnocultural populations in the US live almost as if they were in their native lands, much like some neighbourhoods in Toronto.

In Detroit there is the Hamtramck neighbourhood, which is almost exclusively Polish, and in Dearborn there is a Lebanese neighbourhood that, when you walk on the street, is virtually as if you were in Lebanon. So the whole concept that the US is a melting pot society is not the reality.

Further to that, the concept we have been using in terms of multiculturalism in Ontario and in Canada of cultural retention, enhancement of cultural traditions and second-language and third-language instruction are now being utilized in many jurisdictions in the US. In many of the public school institutions in the US, second-language instruction and first-language instruction in the native language are being used as a primary source of instruction, much as some of our French-language courses in Ontario schools are being used. Therefore, the suggestion that somehow Canada is totally different from the American position with respect to cultural retention is not all that true.

Finally, for me at least, and I think for many members of the minority cultural communities, we do not see the French or the English fact as something different. We believe they are part of the multicultural component. They are other ethnocultural communities. Therefore, within the council there is French representation and English representation. We would not want to have it otherwise. We see the francophone expression as a major subset of the ethnocultural and multicultural diversity of Canada and of Ontario.

The final point I would like to make is that in the world we live in there are tremendous antagonisms. We find that people who come from a variety of cultural conditions, where in their native lands they are protagonists and antagonists, can come together in Canada. They can speak in a common form. They can address issues that are Canadian, but there is still an impact in that an Arab and a Jew can sit on the council and dialogue, that a Sikh and a Hindu can sit on the council and dialogue and that within Canadian society we attempt to leave those differences that have to do with our homelands and our cultural traditions back home.



This provides us the opportunity to develop a model within Canadian society and within Ontario society in particular for that kind of dialogue in an ever-shrinking world, so that there can be conflict resolution through discussion rather than through the use of force. In the long term, this is going to result not in Balkanization but in the ability of each of us to be able to understand and respect the differences of our neighbours, to be able to live with that difference and perhaps to transmit that to others outside of Canadian society.

Mr. Grande: Well said.

Mr. Haggerty: Mr. Chairman, I got cut short in my question. What I was coming to, and I wrote you a note on it, was raised by Mr. Mitchell. When do you become a Canadian? I got into the area of dual citizenship. In Holland, France or other places in Europe, one can carry two citizenship cards or be a member of two societies, in a sense. The point that was raised by Mr. Mitchell was: When does one become a Canadian citizen if things are broadened out far enough that one becomes fortunate enough to be able to carry two citizenships?

Mr. Frolick: We do not advocate that. It is not biculturalism. That is a government policy. The governments in question want to keep their citizens as citizens.

Mr. Haggerty: Some of them do that, and I listened to what Mr. Mitchell had to say. I do not think this matter has ever been discussed, but, for example, for the Workmen's Compensation Board, through Canada pension and other Canadian old age security, you can live here for a period of years and then go back to your mother country. The question is, when do you become a Canadian? That is the point I think Mr. Mitchell was heading for. In looking for the answer, you have not looked into the area of dual citizenship.

Mr. Frolick: Mr. Mitchell raised a matter to which I would like to respond. The Ukrainian chap said: "I came to Canada to be a Canadian. Period." That presupposes that multiculturalism is going to be forced on anybody. It is very important to remember that in a free society, people ought to be free to maintain what they want, to inculcate in their children what they want to, the values and so on. Nobody is going to force them. If a person does not want to retain his ancestral language and has no interest in his history, that is his choice. Nobody is forcing him. However, for those who want to do want to do it, surely as citizens of the country they ought to have the right to preserve their culture and to preserve their language.

You mentioned something about the cost of education. But these are people who are citizens. They are taxpayers. Surely, as a taxpayer, one can expect that his taxes will be used somehow for his benefit if there is sufficient interest and sufficient numbers to warrant it. This is always a precondition. Provided there is sufficient interest and provided there are sufficient numbers to warrant an introduction in a given heritage or ancestral language, why not? They are taxpayers. Their money can be used for that purpose. I see nothing wrong with that at all.

There is another point I wanted to mention, but I have forgotten what it was. Perhaps it will come back to me.

Mr. Haggerty: To follow that point, we come to native citizens; you might say the first citizens of Canada. Some place along the line we have forgotten them or, because of some treaty, we do not want to know they exist. It was brought to my attention not long ago that there is a zinc mine

Frobisher Bay. To preserve Canadian sovereignty in that area the federal government, so I have been told, has moved Inuit from the James Bay area to some wilderness point up in the Arctic and said, "Yes, this is Canadian soil." They put them into a reserve up there. We have put them into a welfare state just to say we preserve this right for all of Canada. Looking at native rights, there are native citizens who really have no rights in our society today. There is a certain Indian group there that has no rights under the charter at all. When we look at that we say, "Well, you know..." Yet, coming back to your point, we say, "Yes, this is a true Canadian."

The Vice-Chairman: Perhaps we should get back.

Mr. Grande: The advisory council established a task force on equal opportunity some time ago and I know that Chris Antoniou was working with it. You made some recommendations to government with regard to people from multicultural communities being appointed to agencies, boards and commissions.

What has come of it and what is its status. What has been the response of government? As you probably know, for over three years now, since 1981, I have had a set of questions on the order paper geared specifically towards that issue. If I recall, one of the questions was taken verbatim from that report. Needless to say, I did not get a satisfactory answer from government. I wonder whether you can shed some light on that. Do you recall what I am talking about?

16:50

Mr. Frolick: Yes, I do. I was not here, but I know about it because I have familiarized myself with all the past recommendations and activities of the council. All I can say is that you can lead a horse to the trough but you cannot make it drink. You can recommend certain actions to the government but you cannot make it do your bidding or accept your recommendations. We made those recommendations in good faith.

I made certain recommendations when the 30 members ended their term of office in March. I wrote a letter to the Premier (Mr. Peterson) and to the minister pointing out certain deficiencies in the makeup of the council, stressing that certain regions of Ontario are completely unrepresented and urging that they consider appointing people from those regions to give a better distribution. I indicated there was only one young person under 30 years of age and said perhaps they ought to appoint a few younger people in view of the fact we have an ad hoc committee on youth affairs.

I made recommendations as to whom he might appoint without naming anyone in particular. I said that because the vice-president had left and Mr. Hassan remained, the next vice-president ought to be someone who had been on the council, was familiar with the council and could effectively discharge the duties of the vice-president by being familiar with its work and activities. Apparently, those recommendations were not heeded in the appointments that were made.

We try your best and make our recommendations. If the government wants to accept them and follow them up, fine. If it does not, what can we do? What can anybody do?

In my first address to the council when I became president in March 1985, I went through those recommendations. I counted how many recommendations had been sent to the government in the course of the 11 or 12 years up to that



time, as far as I could gather, and there is some margin of error. I made the statement that I was appalled that of some 100-odd recommendations, some eight, 10 or at the most 12 recommendations, a very small number, had been acted upon. All the rest were not. I was appalled that such a small percentage of the recommendations had been implemented in one way or another. To my mind, the recommendations appeared to have merit. They were well-founded.

I voiced my opinion to the new minister that perhaps with a new government this might change and we might have a more responsive government. I pleaded that it give a more attentive ear to the wishes and recommendations of the council.

Mr. Alexander: Mr. Grande may have been referring to something broader than the council membership itself and possibly also to other boards and commissions.

Mr. Grande: Yes.

Mr. Alexander: I am sure statistics will be generated from a source that is more reliable than the word of mouth I am going to utter today, but it just so happens that my wife has recently been appointed to the local police commission. Her background is from the black community and partly from the native community. If that is regarded as unusual or special, I think it makes the point of what multiculturalism is all about.

Part of what we have been seeing for the past several minutes was prompted by the question, "When are we going to become Canadians?" That question implies that somehow I am not a Canadian. There are six generations behind me. What if we look to the native community, which has always been here? To ask someone from that group when he or she is going to become Canadian goes beyond the insults of the biculturalism slur that was put upon Canadian society. To be asked that question, especially in the context of, "Why do you want to be different?" means that what we are saying Canada is all about is not an acceptable and accepted part of Canadian society. That is exactly the situation we are trying to change.

Mr. Grande: Are you aware of the Hellenic-Canadian Federation of Ontario? It is a large organization. It is a congress if you like.

Mr. Frolick: I am sorry. Which one, Mr. Grande?

Mr. Grande: The Hellenic-Canadian Federation of Ontario. In terms of the report of the task force on equal opportunity and the report on battered women, they say they were worthy reports, but let me quote: "Similarly, the council has demonstrated interest and has supported the heritage language programs and the ethnic media. However, in spite of its existence for 13 years, there is no evidence that the council has had any real impact on provincial policies and programs. On the contrary, the council's advice has been generally ignored."

You have just said as much, that out of the approximately 100 recommendations only a handful was accepted. I presume, not out of ignorance because I know, that this handful of recommendations that was accepted maintained the advisory council on the periphery of the society. They were not recommendations in terms of fundamental change within the society.

Each of us has his own definition of multiculturalism. I would like

council to come up with a definition of multiculturalism that can be put in a statute, one that everyone can aim for and work towards.

The Vice-Chairman: May I interject at this point, Mr. Grande? There is a point of order or privilege by Mr. Shymko.

Mr. Shymko: Thank you for your co-operation, Mr. Grande. My point of order is the following: I had an understanding with the chair that I would refrain from continuing my questioning of the president of the advisory council and allow Mr. Grande to start his questioning on the basis that I could continue to question the president at some future date when we would meet with the representatives of the advisory council. I understand there is a motion that there will be a meeting next week and that the minister will be present. Notwithstanding the presence of the minister, I know that Mr. Grande and I and other members of the committee have questions still pending to ask of the president and the members of the council.

Mr. Chairman: It is my understanding that the president is going to be on holidays next week and out of town.

Mr. Frolick: Yes, I have made arrangements to leave for the south. I am available today, tomorrow, Friday, and Saturday or Sunday, but after that--

Mr. Chairman: I do not think this all-powerful body can stop you now.

Mr. Shymko: That creates problems. I am sure my answers from the minister will not be the same as the answers I would have obtained from the president of the council.

Therefore, my point of privilege is the following: I do not know whether the president of the advisory council is aware of this, but in the House today I was accused by the Premier of having received a copy of your confidential letter to him. In the light of that accusation, I see it as adding injury to insult to you, Mr. President, implying that you do not have the integrity to keep the confidential your correspondence with the Premier; in fact, it implies that you sent a copy of that letter to me, from which apparently I was quoting.

In the light of that allegation, I would appreciate clarifying and dispelling that. Perhaps you could table your confidential letter with this committee. As we discussed earlier, the normal tabling or request should come from the Premier who was the recipient. He has refused to table such a letter with the House. On an accusation against myself and indirectly an accusation against yourself, questioning your integrity, would you be willing on the point of privilege to table before this entire committee a copy of your confidential letter to the Premier and of your letter to the minister?

Mr. Frolick: Even before Mr. Shymko arrived, I had a note before me and I was going to raise this as a matter of privilege because I think my integrity has been severely impugned and damaged. I want to appeal to the members of this committee to hear me out on this.

17:00

You were in the House and I was not. I do not know what took place, but according to the notes I received, apparently the Premier (Mr. Peterson) was asked why my resignation had not been announced through a ministerial statement.



My information is that Mr. Shymko mentioned that I was appearing before the committee and paraphrased what I had said to the committee about the reasons for having resigned, which I gave you. He mentioned these, and the note states that the Premier then accused me of having circulated to others the apparently confidential letter that I had sent him. The assumption was that it had also gone to Mr. Shymko, because Mr. Shymko was quoting not from what I had said here but from a copy of the letter that I had given him.

I want to say as forcefully, sincerely and unequivocally as I can that it pained me. You had asked me to produce that letter. I respectfully declined to produce it to you--and I did not produce it even to the minister--on the grounds that if I mark something "Personal and Confidential," I mean it is personal and confidential. That letter went to the Premier, and nobody but the Premier received it. I want to make it absolutely clear that this is at stake. Nobody got a copy of that letter. There are no copies.

I feel very badly, at the end of my tenure here as president of the council, after 66 years--my entire life was not devoted to public service, but in the war, serving in the last war and serving in a number of capacities of various governments, communities and so on--that it comes to this at the end of my career, that the Premier should insinuate or state that I had broken the confidentiality of a letter and that I had circulated the letter and given it to Mr. Shymko or to anybody else. That is absolutely untrue.

Mr. Chairman: I can certainly verify that, sir, because we did ask you in the meeting this morning whether you would submit a letter, and you repeated virtually the same statement you have made now.

Mr. Shymko: I must go to the House immediately. I have an amendment to Bill 7; I must leave now. I just want to ask the president, could you table this letter, please, to the committee?

Mr. Frolick: Would it not then justify what the Premier has said about circulating a private letter? Would that not do exactly what he has charged me with doing?

Mr. Shymko: No; you have not done that.

Mr. Frolick: I know I have not done that.

Mr. Shymko: The request is by this committee to table that.

Mr. Frolick: I have indicated to the chairman, for whatever it is worth, that my information is that the minister or the ministry staff have received a copy of my letter to the Premier from the Premier's office. It is not incumbent upon me to say whether other members of the House and members of this committee, in view of the fact that one member of the House already has a copy, should have it.

Mr. Shymko: It is at your discretion and I would leave it up to you. I have made a request, but if you feel, on principle, that you should not do it, that is fine with me. I just thought I would raise that issue.

Mr. Chairman: It is important, Mr. Shymko and Mr. Frolick, that we certainly do not wish to compromise your position. As we mentioned this morning, it is the Premier's right, or the minister's, to divulge that letter if they so wish. Do you have any objections if they do that?

Mr. Frolick: None at all.

Mr. Chairman: May we convey to the Premier or to the minister that you have said you have no objections to their producing that letter?

Mr. Frolick: Certainly.

Mr. Chairman: Thank you. As a matter of fact, I took the liberty of conveying that to the representative of the minister just a few moments ago. I hope it will be forthcoming.

On to the next. Mrs. Marland, you had your name down for some questions.

Mrs. Marland: The motion was that this meeting adjourn at five o'clock.

Mr. Chairman: What motion?

Mrs. Marland: The one that was placed earlier.

Mr. Chairman: When I was here?

Interjection: Yes.

Mr. Chairman: The motion did not say five o'clock, did it?

Mrs. Marland: Yes, because we were losing the quorum because of Mr. Grande's departure from the committee.

Mr. Chairman: I must have misunderstood. I was under the impression that the committee was going to stay and not have the minister here, because we wanted to continue with questions to Mr. Frolick. Maybe I am hearing wrong these days; I do not know, but that was my understanding.

Mrs. Marland: I wonder whether, in the light of the sincere commitment of the members of this all-party committee to the preservation of the council on multiculturalism and its very vital and important role in the province of Ontario, we would consider reconvening this meeting whenever the first scheduled meeting of this committee was to take place in January 1987.

I recognize that we had a proposed schedule for this committee's meetings in January and February; and I recognize that when we discussed that schedule, it was totally flexible and it would be related to when the House reconvenes. However, at some time in the new year we will be having another meeting of this committee. At some time in the new year this committee is going to have to agree on a report on the status of the Ontario Advisory Council on Multiculturalism and Citizenship.

In order to complete the review of this council to which this committee has committed itself, I feel it is important that we invite the president--and I recognize that at that time he will be the past-president, unless he has changed his mind after the expiry of his letter dated December 15 proposing his resignation to take place--and Mr. Hassan, the vice-president, Mr. Alexander, the convener of the southwest regional committee, and Ms. Phyllis Rowe, the administrative assistant, all of whom were here today.



I feel that this is far too serious a matter for us not to have the full benefit of a complete review before this committee writes its report and draws any conclusion. To complete that review, it would be necessary to continue where we are leaving off today.

You have a motion, which has already been passed, that the minister be invited to attend next week. We also are aware that Mr. Frolick is not available next week. My motion, in the interests of completing something that we are all very bravely committed to and interested in doing properly, would be that we invite the four people I have just named to the first meeting of this committee in the new year.

Mr. Chairman: Under the terms of the motion that passed, whose meaning I did not fully understand, since five o'clock seems to have been inserted in there, the meeting is now adjourned. Therefore, I cannot entertain any further motions. It remains only to say, Mr. Frolick and your associates, that I thank you very much for having come. You have been very patient with us. I hope that nothing we have said or done upsets you or spoils your holiday in any way.

We would like, perhaps in the future, to have the opportunity to speak with you further. I realize that you cannot do so in an official capacity, so that if we do have the commission back, it will be under the new chairman, whoever that may be.

Mrs. Marland: Mr. Chairman--

Mr. Chairman: Mrs. Marland, you are out of order. The fact of the matter is that the committee is adjourned.

Mrs. Marland: Sometimes you choose to recognize the clock.

The committee adjourned at 5:10 p.m.

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Wednesday, November 5, 1986

The committee met at 10:20 a.m. in room 228.

AGENCY REVIEW:

ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP

Mr. Chairman: The chairman sees a quorum.

The subject matter today is the Ontario Advisory Council on Multiculturalism and Citizenship, which is one of the agencies this committee agreed to examine. The purpose of today's meeting is to be briefed by our counsel. We are not overwhelmed with audience, but the suggestion is that we do this in camera. May I have the attention of the member for High Park-Swansea (Mr. Shymko)?

Mr. J. M. Johnson: He is subbing for me on the committee for this issue. I will be back in a couple of weeks.

Mr. Chairman: That will be nice. Could you do your subbing and let us get on with the meeting? The suggestion is that we hold this meeting in camera. All agreed?

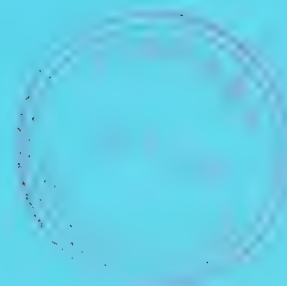
Agreed to.

The committee continued in camera at 10:22 a.m.



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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP

WEDNESDAY, DECEMBER 17, 1986

STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Ferraro, R. E. (Wellington South L)

Grande, T. (Oakwood NDP)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Marland, M. (Mississauga South PC)

Ramsay, D. (Timiskaming L)

Sargent, E. C. (Grey-Bruce L)

Smith, D. W. (Lambton L)

Substitution:

Shymko, Y. R. (High Park-Swansea PC) for Mr. J. M. Johnson

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Malcolmson, P., Research Officer, Legislative Research Service

Witness:

From the Ministry of Citizenship and Culture:

Munro, Hon. L. O., Minister of Citizenship and Culture (Hamilton Centre L)



LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Wednesday, December 17, 1986

The committee met at 10:10 a.m. in committee room 228.

AGENCY REVIEW

ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP  
(continued)

Mr. Chairman: Ms. Munro will be coming in at 10:15. She is under some time constraints, so she will be with us only until about 10:45. I would hope that when she does come--and I hope that is going to be very soon--you can hang around for that.

Mr. Grande: That is my problem. The private bill I am looking after downstairs in the standing committee on regulations and private bills is going to be second up, and the first one will take only a few minutes.

Mr. Chairman: Oh. We do not have another member of the party to sit in? I would like to have somebody here to hear the minister's comments--that is the point--even if it is somebody sitting in on a temporary basis.

Mr. Grande: I want to be here to hear the minister's comments.

Mr. Chairman: Good. If the minister comes within the next three minutes, then we will be able to get started.

Mr. Grande: You have a quorum already?

Mr. Chairman: We have a quorum.

Mr. Grande: You have started, you have quorum; so I will leave for a few minutes, see what state that committee is in downstairs and return.

Mr. Chairman: We will be hanging on to the edge of our seats up here.

Mr. Grande: I am sure you mean that literally.

Mr. Chairman: We cannot do much until Ms. Munro comes, anyway. You might as well stop the tape instead of leaving a really long blank. They will think it is a typical meeting.

The committee recessed at 10:13 a.m.

10:21

Mr. Chairman: I wonder whether we could ask the minister to take a seat. Thank you very much for coming this morning. I understand you have a time constraint.

Hon. Ms. Munro: A statement. Yes, I like to--

Mr. Chairman: How long will you--

Hon. Ms. Munro: I am sorry. If I can get back to cabinet at 11 a.m., if it is okay with the committee.

Mr. Chairman: Okay; we will have about three quarters of an hour. That is fine. I understand you have a statement.

Hon. Ms. Munro: Yes. I do not have copies for everyone, unfortunately, but I will hand this one to you.

Mr. Chairman: Would you like to go ahead, then?

Hon. Ms. Munro: First, I would like to thank the committee for the opportunity to appear before you. I will be more than pleased to answer questions, to the best of my ability, after I give the statement.

I wanted to appear before you, first, because of the questions raised by Mr. Frolick, the former chairman of the Ontario Advisory Council on Multiculturalism and Citizenship; and second, to answer any questions in general, since you are reviewing that particular agency, which is quite important to my ministry and to the government.

I should start off by saying that I was troubled when I read the transcript of the statement given to this committee by Stanley Frolick. Mr. Frolick has devoted a considerable amount of time and energy to multiculturalism in Ontario. He has fought and won many battles, and his victories have helped many Ontarians obtain justice and equality of opportunity.

The advisory council, over a number of years and under the chairmanship of a number of people, has accomplished a great deal. Its efforts have helped us build the multicultural society we now enjoy in Ontario, and I therefore regret that Mr. Frolick suddenly and unexpectedly chose to resign his chairmanship of the council.

In recent months the council has come to play a larger role in the government of Ontario, and in the coming months that role will be even larger still. As you know, we are in the process of developing a new multiculturalism policy for Ontario. In the past, government support for the philosophy of multiculturalism has been translated mainly into either immigrant services or heritage preservation programs.

This government, however, has a new vision of what multiculturalism means, and it means more than English-as-a-second-language classes and ethnic community festivals, effective and valuable as those programs are. Multiculturalism means that every citizen of Ontario, regardless of sex, race, or religion, can participate in the opportunities offered by this rich province. We intend to make that more than a philosophical guiding principle. We intend to make true equality a reality in Ontario.

How do we achieve this goal? We are going to have to dig deep into the trenches. We are going to have to root out old attitudes and old policies that, intentionally or not, have denied some of our citizens access to services and opportunities.

It will be a big job. It will mean sensitizing institutions, government agencies, corporations and the public at large to the fact of our multicultural reality. It will certainly take all of our energy, all of our best efforts and all of us pulling together to make it happen. However, when



we achieve our goal--and it will be when, not if--we will have created an Ontario that truly exemplifies the spirit of equality that lies at the heart of multiculturalism. That is quite a legacy to leave our children.

Mr. Frolick's statement conveyed some of the concerns shared by all of us who are working towards a more multicultural Ontario. First, should multiculturalism be supported by full statutory powers? That is one of the issues we are now grappling with as we develop a new multiculturalism policy. It seems clear that we need a better definition of multiculturalism, one that goes beyond the statement of the former Premier.

Second, has a lot of lipservice been paid to multiculturalism but not always enough substance or concrete action? I would agree that, in the past, the previous government sometimes hesitated to tackle the tough questions of systemic problems, and that is precisely what we hope our new policy will attack.

Mr. Frolick spoke to other concerns that he perceives to be affecting the council. Perceptions are not facts. As we all know, if 10 people see an accident, you will get 10 different descriptions, each one of them sincerely held, of what actually occurred.

Mr. Frolick, for example, stated that the council had sent recommendations to the ministry in September 1985 and March 1986 and had received no response. The facts are somewhat different. I have here copies of the responses sent by the ministry to both sets of recommendations. The council's recommendations were carefully studied, discussed and acted upon, as appropriate. Last March, for example, the Ministry of Education organized a conference on race and ethnocultural relations. Teachers, principals and school trustees from all over the province participated. In response to one of the council's recommendations from September 1985, we helped a group from Kenora, Ontario, attend the conference to display and promote its innovative multicultural education tool.

It has also been Mr. Frolick's concern that the OACMC is underfunded in comparison with other government advisory councils. As you all know, each council had its own mandate and each has its own work load. To compare the budgets of one to another is to compare apples to oranges. The situations are different and the needs are different.

It is true that the budget of the council was reduced from \$323,100 in fiscal 1985-86 to \$254,300 in the current year. This reduction, however, was entirely from the salaries and benefits account of the advisory council. It reflects the departure from the council of the former president, Dr. Mavis Burke. Dr. Burke was a civil servant when she was appointed president and she continued to receive pay on that basis. Mr. Frolick, during his tenure as president, was paid on a per diem basis, as are all other members of the council. Funds for per diems are found in the other direct operating expenditure category of the council's budget. There has not been a reduction in this component of the council's budget.

Furthermore, the council's budget was substantially increased during August of this year to \$400,300. These funds were allocated because we knew that the council's work load would increase because of its participation in the development of Ontario's new multiculturalism policy. When I addressed the executive and full council this past September, I acknowledged that they would have a busy year ahead. I specifically asked for and welcomed their assistance in developing the new policy. We are embarking on a journey into uncharted

waters. We are looking for new ideas that will help us build a more truly multicultural Ontario.

I invited council to come forward with their ideas and I have since written to them to emphasize my eagerness to hear their views. At our ministry, as in other ministries in this government, the doors are open, and I believe everyone has access to the minister and to staff.

Mr. Frolick seemed concerned that his recommendations were at times dealt with by people he perceived as "low-level bureaucrats." It has been my experience in government that a diligent, energetic low-level civil servant can be very effective in getting things done.

Mr. Frolick also seemed concerned by the fact that his council, like every other advisory council, reported through a ministry rather than directly to the government. I can sympathize with his frustrations. We have all had occasions in which we wished to have our recommendations adopted immediately, especially when the cause was one in which we passionately believed. But the current reporting system exists for one very good reason: It provides a vital series of checks and balances that ensure the fairness of government decisions.

10:30

It is troubling to me that Mr. Frolick feels the advisory council lacks credibility among Ontario's ethnic communities. If that perception were accurate, I, too, would be very concerned, but I have seen no evidence to support it.

During the past year, my colleague the honourable Tony Ruprecht and I participated in a series of multicultural think-tanks and dialogues across the province involving some 2,400 people. In all those discussions, from Thunder Bay to Niagara Falls to here in Toronto, the credibility of the advisory council was not a major issue. What was a major issue was how we could build a more multicultural Ontario, a society in which justice and equality of opportunity are everyday realities. That is the question we must answer and that is the task we face. It will take all of our best efforts to formulate a new multiculturalism policy that will help us create a more equitable and more just Ontario.

In closing, I would like to stress that I regret that, whatever the reasons for which Mr. Frolick felt the need to resign abruptly his chairmanship at the council, we are now aggressively searching for someone to fill his shoes. Given the high priority this government places on multiculturalism, it is imperative that we quickly find a new chairman who is capable of handling the responsibilities of the post. We are now interviewing candidates, and I hope to be able to announce the name of a new chairman early in the new year.

I thank you again for the opportunity to put a written statement. I will receive questions and try to answer them to the best of my ability, or get back to the committee with a written response.

Mr. Chairman: Thank you. We have a number of people who want to ask you questions. I am going to try to rotate these somewhat, if I can. I would ask members, in view of the time constraints, to be fair. I would not want anybody to hold a filibuster here, from whichever side. I have Mr. Mitchell first on the list.



Mr. Mitchell: I will try to be very brief. I have a couple of very direct questions. Would you be prepared to release to this committee your copy of the letter Mr. Frolick sent to Premier Peterson with regard to his resignation?

Hon. Ms. Munro: My copy of the letter he sent to Mr. Peterson?

Mr. Mitchell: Yes.

Hon. Ms. Munro: I did not get a copy of that letter.

Mr. Mitchell: Could you ensure, then--I am sorry?

Mr. Shymko: May I have a supplementary? I believe the chairman indicated he did write to you.

Hon. Ms. Munro: He wrote me a one-paragraph letter. I would be more than pleased to give you a copy of his letter to me, dated December 5.

Mr. Chairman: I do not think that is what we were talking about.

Mr. Mitchell: No. My understanding was that the normal process would be for the Premier, on receiving a letter of resignation from a member of a council, a committee or whatever, to provide it to the minister responsible. If you did not receive it directly, would it be possible for you to provide this committee not only with a copy of the letter to you but also with a copy of the letter to the Premier?

Hon. Ms. Munro: As I recall the Premier's statement in the House, he indicated that the letter was sent to him in confidence and that he was respecting that confidence, but I can certainly ask him again.

Mr. Mitchell: Yes, it was. However, in this committee Mr. Frolick also pointed out that he had submitted it to the Premier on a very confidential basis, and yet the Premier suggested in the Legislature that one of our members, or this committee, have a copy of Mr. Frolick's letter of resignation. I would ask you whether you would do everything you could to provide us with copies of both of those letters, if possible.

Hon. Ms. Munro: I will certainly pursue that.

Mr. Mitchell: I am somewhat puzzled. You suggest that you did reply, either directly from you or through the ministry, to recommendations made by the council on two occasions. I am somewhat puzzled, then. I wonder whether things got lost in the shuffle. Can you provide us the dates of those responses? They may be in here; I have not had an opportunity to look.

Obviously, there seems to be a strong degree of difference, in that Mr. Frolick, in his announcement to this committee that he had resigned, said there had actually been no contact between the ministry and himself. Further, he went on to say, and I am sure you have read it, "the relationship has so deteriorated that there has actually been no contact between the minister and myself"--that is, Mr. Frolick--"for one year, since December 1985." He talked further about access to your office for members of the board, new members who were appointed, but that same access was not afforded to him. Thus, there is some very definite disagreement here about what the situation actually was. Can you provide us with the dates of those responses to Mr. Frolick or to the council?

As an aside, when a reply is drafted from your office to recommendations made by the council, would that reply not be drafted with a direction to the chairman and members of council? I suspect that is the normal way it would be done, and yet Mr. Frolick implies that he has not heard from the minister or the ministry for a year.

Hon. Ms. Munro: I have before me copies of letters, which I will table with you. One letter, dated November 14, 1985, is from me to Mr. Frolick and is signed by me. In it I acknowledge that I had received the recommendations of the meeting on September 27 and 28, 1985. I refer to the recommendations of 1985 and I attempt to provide answers to many of his recommendations and also indicate responses we have taken.

A letter was also provided to Mr. Frolick from Lyn Statten, who was the assistant deputy minister at the time, as a request from Mr. Frolick to have a direct answer from her to each of the items that were recommended by council. In addition, Bryan Davies responded to Mr. Frolick on items of budget requirements.

I also have a letter dated September 25, 1986, which I will table and which is signed by me, in which we provide Mr. Frolick with the government responses to the last set of council recommendations, which are the 1986 council recommendations. The detailed government responses to the 1985 recommendations are in this form, and they were forwarded by the assistant deputy minister.

If you would like to pursue them and then ask me additional questions, I would be glad to answer.

Mr. Grande: On a supplementary, Mr. Chairman.

Mr. Mitchell: Just to wrap up, I did not receive a reply to my request about the letters.

Hon. Ms. Munro: The letters of resignation?

Mr. Mitchell: Yes.

Hon. Ms. Munro: I will do my utmost to see whether those letters can be provided. Certainly his letter of resignation to me can be provided.

Mr. Grande, do you have some particular point? Sorry, I am not the chairman.

Mr. Chairman: Would you like to sum up, and then we will get to Mr. Grande.

Hon. Ms. Munro: I want to finish responding to the question. We have had a number of communications with council over the last year and a half. I went to the annual meeting of council in approximately September 1985, and I took part in the discussions and gave a speech to that council. In September 1986 I attended the 1986 annual meeting. I also addressed the executive council in September 1986, and the full council at its annual meeting, on issues relating to the multiculturalism policy. That was the essence of my speech to the group this year.

I have also received Mr. Frolick in my office and have met with several of the council members. In fact, when we have had our dialogues and



think-tanks, again related to the multiculturalism council, we have ensured that Mr. Frolick provided us with a list of 10 members or so who wanted to attend the think-tanks, and they did so.

In addition, the Ministry of Education conference that I referred to was attended by our multicultural advisory council because, through our ministry and through the government, I hosted a reception on the first night of that particular conference and gave a speech the next day, which members of the council attended.

10:40

As you know, council operates on a regional basis. Often members of the regional council will contact either me or my staff, or they will go through the ministry. I suppose Mr. Frolick's concern is a justifiable one because he enjoyed operating at arm's length but would have preferred to see me on a more regular basis. However, that is only one of the agencies I deal with.

I was troubled when I received the resignation because I had thought we were getting along. Maybe we were and he simply felt, as he stated in the letter, that he would like another chairman to take over. However, our contacts with council have been in good faith and I certainly felt he was doing a good job. Our indication of the increase in the budget was really done as a result of his continuing lobbying and of his, council's and the executive's desire to take part in the multicultural response.

I think the access was there. I wish we had 48-hour days so that we could be much more accessible, but I dare say even that would not solve it. I did not know I was such a popular minister that the chairman wanted to have so much of my time. However, I respect what he is talking about and I guess we have to be a little more disciplined in how we allocate appointments.

Did I answer all your questions?

Mr. Grande: I am going to be very fast, for two reasons. One is that other members want to ask questions; but second, I have to be in another committee, as I mentioned earlier, dealing with library boards, something else the minister is very concerned about.

Let me take off from the last question concerning Mr. Frolick and the contact between the minister or the ministry and Mr. Frolick. As I recall, Mr. Frolick was not complaining about the fact that no letters were going back and forth between the minister or the ministry and the Ontario advisory council. What he was talking about was more an attitude that, as far as he was concerned, was very guarded. He mentioned that "No more would I hear 'good morning' as I passed through the hallways." It is that kind of attitude he was referring to. Obviously, the minister cannot decide about the kind of attitude that people have between one and another, and so I will leave it at that.

On the question of the lack of credibility of the council vis-à-vis the ministry and top civil servants within the ministry, I understand from Mr. Frolick that, when the minister without portfolio decided to move around the province to get input from different cultural groups in drafting a policy, the first time the Ontario advisory council heard about it was, as you mentioned, (a) when you or someone in your ministry asked the council to get names of people with whom the minister without portfolio could get in touch in different localities, and (b) through a press statement. Is that not an indication that your draft policy on multiculturalism was drafted with a kind

of run around the Ontario Advisory Council on Multiculturalism and Citizenship? I am asking that very direct question.

Hon. Ms. Munro: No, I do not think it is a run around. Mr. Frolick had tremendous talents, expertise and skills. He was a lawyer, as you know, and he was very sensitive to the multicultural needs of Ontario. Therefore, he followed, I would think, not only the media reports on our inroads into the communities but also the dialogues back and forth in the Legislature as they related not only to multiculturalism policy but also to questions concerning information on the council that were discussed at length not only in question period but also in other instances.

We took advantage of all press conferences and media contacts to let the public know, through the media, some of our priorities. When we called the press conference to announce new members of council and also to announce the increase in the budget, it seemed to me that that was also an ideal time to let the press know how we were involving council in the multiculturalism process.

Thus, that was not an end run in my definition. But now you are talking about attitudes, which are so very difficult to observe and measure, and so the attitudes of how one defines or perceives an end run being done on him is another question. I can say only that no end runs were made on that council as it relates to getting them involved in the policy. In fact, when we met with the council and with the executive in September, we went through detailed briefing notes with them that were similar to those that had been received as we went through various ministries. It has been an 18-month project for us to bring these policy directions together, and I think that exhibited, on the part of this minister and this ministry, the kind of trust of which Mr. Frolick and the executive are so deserving.

Second, my department officials were very cognizant of receiving the comments at that particular presentation. We then took them, for they became part of our policy data. When I addressed the full council about three weeks later, again the speech was to the council members on policy, on implications and in recognizing what they had done in the past.

But when you talk about a multiculturalism council not being recognized, that is incorrect. Council itself was very accountable in asking, "How should we respond to what Ontario is all about now, as we have all along?" This is why I think it wanted to get involved, and is involved, in input to the policy.

Mr. Grande: It seems obvious to me that, in your attempt to grapple with a policy on multiculturalism, which is different from the policy on multiculturalism of the previous government, you should take a careful look at the recommendations of your advisory council, set up by the government in 1972. In taking a look at those recommendations you would ask, "Where have these people been in terms of recommendations to government," whether accepted or not accepted? But let us at least take a look at the route they have gone. That would be able to provide you a tremendous amount of input in terms of the thinking of those 50 or 60 individuals.

I do not know the extent to which you have done that. Perhaps you could tell us the extent to which you have done it, because from where I sit it appears it is a kind of run around the council in terms of establishing a policy without any input from council.



Let me go on quickly to the next question about low-level bureaucrats and the people who took a look at those recommendations. In your statement you say that energetic low-level civil servants are very good at doing that. Nobody disputes that. People involved in this area are normally, to my knowledge, people who really feel strongly about the area, and therefore the energy is there.

However, that does not speak to the bureaucracy within government or to the extent to which those low-level civil servants have any kind of power, if you like, to make their voices heard up the ladder. Therefore, I would say to you that in the future, with the advisory council--if, of course, you take it seriously--there should be another level of civil servants, on top of the others, who take a look at these recommendations, because obviously you need everyone to take a look at this.

10:50

On the underfunding question, you mentioned the fact that Dr. Mavis Burke was a civil servant and therefore you account partially for the fact that the budget of the council had dropped. However, am I correct in understanding and knowing that one by the name of Yuri Shymko, who was not a civil servant in Ontario, had a paid position while he was the chairman of the advisory council? In other words, there must have been a change there as soon as you took over government in not making the chairmanship a paid position and so therefore that may address partially the underfunding that Mr. Frolick talks about. Is my understanding correct?

Hon. Ms. Munro: The order in council which established a per diem payment for Mr. Frolick was accepted by Mr. Frolick, I understand, when Mr. Frolick accepted the appointment from the previous government. The per diem was not established by this minister or this government.

I indicated that not all advisory council members are on the full council right now. The per diem payments for Mr. Frolick's salary came out of the other operating expenses. I think we would probably have to go back to ask the wisdom of the previous government and why it undertook to change the terms of reference.

I would like to go back to your first question, which talks about our new policy directions and a reference to the previous policy of the government. I have said many times in the House that we are keeping the universal principles of that particular policy because they are the basis of any direction in multiculturalism.

Our issue right now is to make sure that the needs of multicultural Ontario, which is a reality, are evident and for us the key question is one of accessibility.

When I look at the history of the council, council has dealt with many of those universal problems in committee, and you will know that its committee reports have been quite extensive. They have done a lot of work on dealing with immigrant women, refugee women, up to the present point where they are dealing with religious, multicultural values. All of those recommendations would go forward to various ministries and we would get a response back from the minister or the ministry and this is one way in which the council's views were made known.

We felt that if what we felt was going to be true in terms of

accessibility of multicultural programs right across the total government, the Ontario advisory council might or should, depending on what our conclusions were, take a highlighted role in terms of this accessibility question.

If in fact we are going to require of government evidence that accessibility is being adhered to by ministries, this would be obviously one way in which we could enter into a different kind of partnership with the council, in addition to the very valid committee efforts, which they decide themselves, by the way. The executive will decide what committees should continue and what new topics should be added to their agenda.

Although they are at arm's length, we were looking at the council as having the ability to move with us as a government as we are moving towards a new policy.

The fact that I quoted, in defence of low-level bureaucrats, their intention and their knowledge base, did not in any instance indicate that Mr. Frolick or the council did not have access to the deputy, the assistant deputies, myself and various other levels. When recommendations came in, those recommendations are always duplicated and go to many different levels. I hope you do not feel that solely low-level bureaucrats prepared the responses to the council's recommendations.

We feel the council is a very important body and we feel the importance of their recommendations should be treated with a variety of levels, as you call them, of people taking a look at recommendations, including myself, wherever I fit in the level of the hierarchy.

Mr. Chairman: I wonder if we could limit the answers a bit. We have only a little of your time and I am trying to get as many members in as possible.

Mr. Grande: I am not finished with questions. I have a lot of other questions. However, for the time being I am finished.

Mr. Chairman: We might get back to you again, if we have time.

Mr. Ferraro: We have a lot of good questions but we would like to stand them down because it appears the committee has been very--

Mr. Chairman: You did not want Mr. Shymko to have a seizure.

Mr. Ferraro: Right. He was getting a little nervous. We do reserve the right to a supplementary.

Mr. Shymko: I want to thank my honourable colleagues. I would appreciate if I could have about 10 minutes for a few questions.

First of all, it is my understanding that the minister contemplated making a statement in the House after having received Mr. Frolick's letter and that you rescinded making that statement. Can you tell us why? Are you planning to still make a statement in the next two days; that is, today or tomorrow?

Hon. Ms. Munro: No, I do not intend to make a statement in the next two days. It was never my intention to make a statement. I received a letter of resignation dated probably on December 8. I responded by letter to Mr. Frolick on December 11. I would be pleased to give you a copy. I do not have a



copy of that right now. I felt I would follow, as observed by you in the House, the model of the Ontario advisory council where we waited until we had a new chairman in that case before we acknowledged the contributions of the previous president. That was my intention. Had you asked me a question I would certainly have responded, but I never intended to make a statement. However, that statement will be made as soon as we--

Mr. Shymko: Apparently rumours were circulating that on Friday of the week of Mr. Frolick's resignation you were to make a statement. I perceived what you have said to this committee in terms of his contribution and the respect you have given to that individual. I compliment you on that and I know you would have said this in the House. I still think it would be more appropriate to everyone involved and I am not being partisan here at all.

I think you recognize his contribution and I would appeal to you, if you could possibly think about it today or tomorrow in the light of the tense situation and the confrontation. I do not think he deserves the implications of you not giving that respect which I know you have. You could possibly think about it and maybe make a statement. I know it may not be the form that you contemplated, in waiting until the appointment. However, in the light of what is happening here, I would ask you to review that and make the statement, the very same one you made here, which I think is very proper and very balanced. It would be even more appropriate to be made in the House.

Mr. Ramsay: Would you respond in kind to that statement.

Mr. Shymko: I would respond in kind.

Mr. Ramsay: Just a clarification.

Mr. Shymko: My second question is on your reference to the new policy, which you indicated would be based on a true equity in reflecting the reality in Ontario; in other words, equal treatment.

I would like to ask you four questions about that equity. If it is equity, would you not perceive that this council as a government agency be treated to the same arm's-length relationship as other councils? I found it disturbing that they are located with the Ontario Liberal Party, they have been moved to that centre. I do not think there is any other agency of government that is in the same facility, one floor below. It is the only agency that is in the same building.

I think there is a perception, even physically, that there is some politicization about that particular body and I do not think it would be advantageous. Treat it in the same arm's-length relationship as other agencies.

Second, would you consider that the estimates of the council be treated in the same way as the Ontario Arts Council, which are separate? There are other advisory bodies and agencies and commissions and boards under your jurisdiction which are separately listed on the estimates. That certainly would reflect the equity we would like to see.

Third, perhaps a permanent chairman would also reflect the seriousness of that council and the importance you attach to the body. Many government agencies have permanent appointed chairmen for a period of two or three years. That also is something we would like to see in terms of equity.

On the staffing question, notwithstanding the apples and oranges

statement you have made, I find it disturbing that the Ontario Advisory Council on the Physically Handicapped has nine staff, four of whom are classified, whereas this council has had three staff, none of whom is classified. I know the services are different, but the perception is certainly not one of equity, particularly when the minister responsible for the handicapped is also responsible for multiculturalism.

11:00

These are suggestions, not questions. Basically, would you not perceive there is some room for change, to have an equitable treatment of that council?

Hon. Ms. Munro: I think your suggestions are very valid. I will respond to some of them and then get back to you, or at least take them into account as we are reviewing not only the terms of reference, the memo of understanding, which comes forward from each agency and council every year, but the Minister without Portfolio is not responsible for multiculturalism plus the handicapped.

Mr. Shymko: He is not?

Hon. Ms. Munro: No. I am the lead minister responsible for multiculturalism.

Mr. Shymko: Does he still carry the title?

Hon. Ms. Munro: He has special responsibilities for multiculturalism and one of the special responsibilities he had was obviously in conducting dialogues across the province.

Mr. Shymko: You categorically say he is not responsible for multicultural policy or delivery?

Hon. Ms. Munro: Absolutely. That is true. This minister is the lead minister in that regard.

Mr. Shymko: What is his role? We are very confused in the House as to his role.

Hon. Ms. Munro: It should not be all that confusing, because you know the Ministers without Portfolio have very specific functions and responsibilities. In this government, the two Ministers without Portfolio have different functions. It really is a mechanism by which the Premier (Mr. Peterson) and ministers who are involved in portfolios that stretch over a wide range of issues can use the talents of another minister.

In the case of Mr. Van Horne, obviously he is working very closely with the Ministry of Health and the Ministry of Community and Social Services, and Mr. Ruprecht has been given special responsibilities on clearly earmarked projects.

There are two different ways in which one handles that.

Mr. Shymko: If I may--

Hon. Ms. Munro: May I just add something? I think your comments on equity for the council are very good ones and we will take them into account.



Your notion of a permanent chairman would reflect the seriousness of the council. To earmark separate time in the estimates for the council is certainly a good suggestion. You will recall last year we were able to call the arts council forward.

Just for my clarification, was the multicultural council not among those agencies present last year within our estimates?

Mr. Shymko: No, they were not.

Hon. Ms. Munro: Okay. We could certainly ensure that is the case.

The continuing battle to move nonclassified positions into classified is not unique to that particular council and I am continuing to fight both battles, not only within the ministry but also with other agencies. I agree that when people look at nonclassified positions, they are sometimes perceived as being either part-time or something less stable, so you and I are on side on that one.

Those were the four comments you made. You should also know that we attempt to have memos of understanding and yearly meetings in terms of goals with the council, and if you or the committee have additional comments that you would like me to address, I would be pleased to do that.

Mr. Shymko: Mr. Chairman, because of the time factor, I would like to complete my questions and then have the minister respond at the end, if you do not mind.

Hon. Ms. Munro: Certainly.

Mr. Shymko: I want to ask about your reference to statutory powers. I would like to quote to you from your policy statement. My apologies, but people send me some of these documents which are classified as confidential for some reason. You have this statement on your new policy, which is a five-year plan to be implemented and announced in February. You say in the policy statement, which you have discussed in cabinet, the following:

"Ontario's policy of multiculturalism is to be interpreted within the context of the Constitution Act, 1982, particularly with reference to the Charter of Rights and Freedoms and the right of the aboriginal people."

You say that in your draft of your policy. If that is the case, there are studies of the impact this will have. I understand that if you say this, you are moving in the direction of a statutory act. You have not answered in reference to that, but I understand that is the only way it could be heading.

One of the impacts of this in the area of education, for example, from a judicial study of the impact of the new Constitution on the provinces and education, is the following, and I quote from Robert Fulton, who made a study called The Effect of the Charter of Rights and Freedoms on Provincial School Legislation. He says:

"Everyone is entitled to equal benefit of the law under section 15 and section 27. Minority groups with sufficient numbers of peoples could theoretically demand a right to education in native languages."

We have a private bill from the member for Oakwood (Mr. Grande) that will be discussed in the House tomorrow. In terms of the impact it has on

nonofficial languages in the act, I would like to ask whether you have taken that position with the Ministry of Education on the private bill and the impact the charter will have.

Second, in terms of responses, it is my understanding that the recommendations from the council affect not only your ministry but all ministries. Did the response you gave to the recommendations just concern your ministry's area of services or did the council receive responses from all affected ministries in the government of Ontario? I think there is a misunderstanding between Mr. Frolick and you. You may have responded to areas of your jurisdiction, but I do not think the other ministries responded to areas of other jurisdictions in which there were recommendations.

Third, we were very concerned that you had a reception at the Art Gallery of Ontario to which all members of the council were invited, but apparently the chairman of the council was not invited. It looked a little unusual to us when he made that statement. I wondered why you would invite all council members to an important reception and not ask the chairman. There may have been a communication problem, but that was certainly a concern to us. It was very insulting, and injury is added to insult when one is not invited.

Furthermore, it was our understanding from Mr. Frolick that the only consultation that council had with you on the new policy was simply to provide you with a list of people with whom you could consult in community organizations. They did not feel they had a full consultation with the ministry in the area of new policy, as was done with various groups. It seems absurd to us, when there is an advisory council advising you in all areas, including policy, that its members would be circumvented and not given the same weight and importance in the scope of input as others have been given.

The last question on consultation is, and I am going to complete my questioning with this, the response from two important ministries, the Ministry of Skills Development and the Ministry of Colleges and Universities, to your policy draft. In a confidential memorandum, which you have seen and which I gave to the Minister of Colleges and Universities (Mr. Sorbara) during his estimates, they say the following, which is a concern to me.

First of all, they say they were not consulted. I find it very tragic that at a cabinet committee on social policy two major ministries, as they say, "Given the absence of full consultation to date and the lack of specific action plans, the Ministry of Colleges and Universities staff cannot concur with the Ministry of Citizenship and Culture's recommended option, namely, option 1." They were not consulted.

They also say on page 4 of that document that the Ministry of Colleges and Universities "should be consulted in the development of the five-year plan." They say they should be, and my concern is why they are not when they play a very important role.

Let me quote the last part of their concern. They are suggesting, and this is truly puzzling, that, "To adopt a comprehensive policy framework at this time is not appropriate. What would be more appropriate for option 2 is to delay the announcement of the policy until the five-year action plan is completed and costs of implementation are considered." They want you to delay.

This is an important ministry, headed by a minister who is very sensitive to ethnocultural community concerns, being himself a representative of minorities, and his ministry says you should delay making any announcement



of your plans. That is a fundamental contradiction of what you say and plan and what they do, and I am really concerned by that apparent split between you and the Minister of Colleges and Universities on school developments.

Hon. Ms. Munro: I do not think there is any difference of opinion on the basic commitment of the government to move towards an improved multicultural policy. A task force has negotiated at the ministry official level with all ministers in this government, and Mr. Sorbara and his staff sat on the same social policy committee as I did when I introduced discussions leading up to multicultural policy.

11:10

As I followed the estimates, there was a certain amount of jocularity going back and forth, and I think at one point the minister even made a disclaimer to the effect that, "Of course I am serious about it." I would have to review his comments. All I can say is that minister is serious. I suppose he had his reasons for saying we should wait until after the five-year plan to announce a new policy, but the policy comes before the plan. The plan is an indication of how we can measure whether individual ministries have been able to show their commitment to new directions.

I would like to assure you, especially in the past six months, each ministry has been part not only of the working committee of that social policy cabinet--

Mr. Shymko: But they say they have not.

Hon. Ms. Munro: They have been, so we obviously have a difference of opinion on communication, on language, obviously on English as a first language. The essence of Mr. Sorbara's commitment is a very real one. I have seen no indication from him that he is not willing to co-operate.

To turn to your other question, the advisory council was not simply asked to nor did they simply provide a list of people as their contribution to the consultation. In fact, and I will repeat this because it is very important, when we met with the executive council in September, that group received all the documentation that other ministers and ministerial groups had received. They also received the benefit of comments that had come from other committees. I would have to look at or go over once again what Mr. Frolick was referring to, but he certainly did not simply give us a list of people.

In addition to that, my appearance before the full council at the annual meeting was an effort on my part to reflect many of the things that council had talked about and to ask for reactions to my speech. This was not a speech I gave but a short five-minute discussion, and I asked for comments from that committee and stayed well into the afternoon of that annual meeting. I take copious notes, as you do, and those notes were also matched by members of my ministry, the assistant deputy minister and staff.

The council may need more assurance that the things they have said in good faith have been taken down and will be reflected in multicultural policy. Since those meetings, I have also made an effort, given the sensitivity of the agencies in your comments and other comments, to make sure that all councils received copies of my speeches in the multicultural area, so we can avoid ghettoization of multiculturalism even within our ministries, so we are able to show a dynamic interaction among the cultural side, the multicultural side and the citizenship side and so we can all improve in communication.

On the question of inviting the chairman to the Art Gallery of Ontario, it is my understanding that he was invited. If he was not, I agree that is a serious slip and would add to his sensitivity, but I understood he was invited. I do not know whether he was ill at the time.

Mr. Shymko: There was no invitation according to him.

Hon. Ms. Munro: There was no understanding in terms of the information you received from Mr. Frolick. We may have tried to contact him. I can share that with you.

In regard to the statutory aspect of the multicultural council, our ministry is taking a look at several options and has done research. You are probably already privy to the same information. We have looked at what is happening in several other provinces, and have noted that three provinces, Manitoba, Saskatchewan, and Alberta, have legislation.

We feel in Ontario the Human Rights Code does provide a basis for multiculturalism in the province, and the race relations policy reinforces that principle. Bill C-48, the Multiculturalism Act of the federal government, is currently undergoing revision, I understand, and we are obviously in contact with how that would affect the legal aspects of a provincial council.

We are also comparing various councils, and you raised the question, which I will not answer, of whether the Ontario advisory council should receive similar budgets to similar councils. Each one of the councils has different functions, and budgets are struck with a variety of objectives in mind. We have been taking a look at council structures throughout the province to understand more clearly, where an advisory body does not work, what additional levers an arm's-length body needs to function effectively.

Of course, we will take your suggestion into consideration, but I wanted you to know that we are looking at those kinds of questions.

Mr. Shymko: I am intrigued, though you have not answered the question with regard to the amendments to the Education Act, which is very fundamental to your position and the heritage languages question.

Hon. Ms. Munro: No, I have not. I will have to get back to you on that question.

Mr. Shymko: Can you tell me your position on the private bill from the member from Oakwood tomorrow on heritage languages? Are you supportive of or opposed to that?

Hon. Ms. Munro: I am certainly supportive in principle of the concerns articulated by Mr. Grande. You and I have been invited to speak at many heritage language conferences, and the minister is currently reviewing heritage language in terms of school curricula. The questions right now seem to be whether boards should have the authority to deal with heritage languages as part of daytime instruction, the implications of daytime instruction on core courses, and so on.

I believe that heritage languages should be recognized because of the reality of certain things that are happening in the world today. Many of our children will embark, if they had a third language or a second language, whatever it would be, on very exciting and important trade missions and cultural missions. I see that this province, in its sensitivity, is moving



towards the retention of languages, simply for cultural preservation, and is also now looking at languages as the means of opening up other careers.

Mr. Shymko: Unfortunately, the Minister of Education is not serious, so I wish you good luck in brainwashing him and convincing him of the wisdom of your views.

Hon. Ms. Munro: I will work on him.

Mr. Shymko: Thank you, Mr. Chairman.

Mr. Chairman: Thank you, Mr. Shymko. Minister, we are 15 minutes beyond the time you allocated us.

Hon. Ms. Munro: It was worth it, and I really do appreciate the opportunity to appear before you. I may have been remiss in not being present here without your invitation at the outset. I am a new minister and I am learning. I hope that you found this beneficial.

Mr. Chairman: Thank you. Just before we get into the review in camera, I have a matter of scheduling for the new year, because we have fallen behind. We had scheduled January 14 to begin with staff briefings re agencies to be reviewed in the new session or in the break, but we still are a little behind on our review or preparation of the report for the last, so we may have to shuffle those back.

Could I ask the committee to leave it to the chairman to determine the schedule as to when we deal with things? Agreed? Thank you.

We are going to move in the camera for the next hour for a briefing on the committee's draft report.

The committee continued in camera at 11:19 a.m.





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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP

WEDNESDAY, JANUARY 21, 1987



STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

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Sargent, E. C. (Grey-Bruce L)

Smith, D. W. (Lambton L)

Substitution:

Shymko, Y. R. (High Park-Swansea PC) for Mr. J. M. Johnson

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Malcolmson, P., Research Officer, Legislative Research Service

Witnesses:

From the Ontario Advisory Council on Multiculturalism and Citizenship:

Hassan, H., Vice-President

Velshi, M., Vice-President



LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Wednesday, January 21, 1987

The committee met at 10:27 a.m. in committee room 2.

AGENCY REVIEW

ONTARIO ADVISORY COUNCIL ON MULTICULTURALISM AND CITIZENSHIP

(continued)

Mr. Chairman: I see a quorum. We have, from the Ontario Advisory Council on Multiculturalism and Citizenship, Hanny Hassan and Mila Velshi, and I understand Phyllis Rowe is to arrive later. Is that right? Perhaps I can ask you to come up to the desk.

Unfortunately, the two people who were most anxious to ask questions, Mr. Shymko and Mrs. Marland, are not here. Have you tried to get Mr. Shymko and Mrs. Marland?

Mr. Mitchell: I did.

Mr. Chairman: Perhaps I can ask whether you have any kind of presentation or remarks you would like to make.

Mr. Hassan: I would like to make a comment on reviewing the transcripts of the previous meetings of the committee. It is clear there is at least a difference in perceptions between our former president and the minister of what took place in that intervening period, in which Mr. Frolick alluded to some problems with the ministry. Whether Mr. Frolick's perceptions were accurate or not, the fact remains that it was the reality that members of the council felt there was not sufficient communication with the minister and ministerial staff.

Mr. Chairman: You say the whole council felt that way?

Mr. Hassan: Several members of council felt that way. Frankly, I believe this was probably a concern of both two-way communications--that is, from our side, council members and the staff on our side--as well as from the minister and the ministerial staff. It seems to me that there are more substantive issues for the council to deal with, some of which are addressed in the report to the committee by its staff, and also some other concerns we have with respect to our recommendations and the mandate of council.

It seems to me that there needs to be, from the point of view of council, some sort of mechanism put in place whereby perhaps we will take some sort of initiative that does not originate from the ministry to ensure that those lines of communication are kept open. We are currently without a president, so Ms. Velshi and I have proposed that we have a meeting with the minister in the near future to try to open those lines of communication again, to ensure that what happened in the past in relation to the communications problem is not repeated.

The one issue I feel we should clarify is the issue of how the policy development matter was treated by the ministry and what our perception of the role of council should have been. If you read the two transcripts, you will get the impression from what Mr. Frolick said that there was no meaningful

input from council to that policy development. If you read the minister's statement, she felt, of course, that there was significant involvement by the council. Just to put on the record exactly what took place, without trying to evaluate whether that input was meaningful, I would like to summarize for you the involvement of council in the policy development issue.

The minister appeared before the executive committee of council with several of her staff members in mid-September. At that meeting there was a presentation by Craig Shields, who was heading up for the ministry this study on the policy issues for the ministry. There was an opportunity for the executive committee to react to that presentation on an ad hoc, extemporaneous basis and to provide input. That was the extent of the direct contact that we had with respect to the development of policy.

The minister subsequently spoke to the full council at a meeting later in September in which she outlined what she was looking for. She received comments, again extemporaneously, from the council members on some ideas with respect to policy development. While those were not recorded in a formal sense--that is, minutes were not taken of that meeting--we believe that ministry staff did record some of the comments in some form and that they may have been incorporated in some way into the policy development.

We did not receive any written text or draft. We simply received verbal communication from the minister and her staff--a verbal presentation, as I say.

If I could go back to what the council itself felt, as the lead advisory group in the area of multiculturalism, our expectation was that there would be a much fuller role for us in the development of that policy. That is probably where the sense of lack of input arises. We did have an opportunity to speak to that policy development, but we certainly did not have an opportunity to study the early drafts or any subsequent drafts or to study in any detail within any of our own committees or to dialogue with the ministry staff beyond that one meeting on the development of the policy.

The second aspect I would like to comment on is related to what appears to be an evolving, expanded mandate for council as it was expressed to us in a letter by the minister dated December 10 and addressed to members of the council. The minister alluded to a monitoring role for government programs that touch on multiculturalism.

That role is clearly within the current mandate of council; in fact, it is in your committee report. We have currently within the mandate of council some responsibility for checking the effectiveness of government programs as they relate to multiculturalism. We certainly do not have the resources in terms of full-time staff to do a comprehensive evaluation.

In 1985 we did a relatively informal study in which we went through a booklet prepared and circulated by the ministry called Ontario and Multiculturalism: A Summary of Recent Developments, in which we attempted to evaluate in a very superficial way the government programs that touch on multiculturalism as they were expressed in that document. We have not done anything since that time. That was done in the spring of 1985.

Mr. Chairman: Thank you.

Mr. Shymko: First of all, I welcome Mr. Hassan and Ms. Velshi to the committee. I congratulate the vice-president on her appointment, which was recent, I believe. The reason there was some commotion is that I tried to get



the Hansard of the last meeting of our committee with the minister. I wonder whether you saw that transcript.

Mr. Hassan: Yes, I have.

Mr. Shymko: You have. A number of issues of concern were raised with the minister. The impression I have received from the minister is that she is quite open to a number of suggestions. The critical and important one is the attitude of her staff and the staffs of other ministries to giving way to some of the recommendations, treating them seriously and perhaps responding much more speedily to these recommendations. She seemed, at least to me, to share that concern about the staffing of the advisory council in comparison to others, an issue that was raised by the past chairman. I am sure it may be a continuing concern with the council--the unclassified and classified numbers in comparison with those of other advisory councils where there is certainly a vast disproportion.

It seems that this area may not have been addressed with a specific commitment by the ministry. I just wonder how you feel on some of these issues that I or other members of the committee have raised with the minister. Are we focusing some of our concerns in a way you agree with, or are we out of focus? Are we asking for things that perhaps are not a priority to you?

Mr. Hassan: No. I believe there were four issues that you raised at one point, to which he responded in a positive vein. We saw that response as being very favourable towards--

Mr. Shymko: I think you will guess what my other remark will be. Would you please pursue that, since we may not be in tune or may not be following the day-to-day operation of the council? It would be quite helpful in terms of the attitude of the minister if the council did, either through some recommendations or by way of letters or decisions of the executive. Simply to pursue some of the positive responses of the minister in this area would be worth while.

I probably should not be asking you the other question I have, but it was discussed at a high level in terms of that leaked memo and document. Do we have a need for your council? The purpose of this committee is not to review a second sunset clause or procedure but to review serious concerns on the viability of the operation of boards, agencies and commissions and their needs.

At some stage there was some debate about whether the council should continue to operate in its present form or whether it should simply become a processing body of financial assistance, for applications and grants to communities. Can you give this committee a statement of your view, which I am sure would reflect the views of the council? I ask both of you, as vice-presidents, to state a commitment on the importance of this advisory council as such to continue. Is the present form of its mandate appropriate or should it be changed?

Mr. Hassan: Both our responses will probably reflect a bias, inasmuch as we are currently on the council. With any kind of membership, there is an interest in perpetuating the organization to which you belong. However, my term expires in the middle of this year and, consequently, I can perhaps give you the perspective of a person who is leaving the organization.

Mr. Shymko: Who may not be back?

Mr. Hassan: Who may or may not be back. I do not count on being back. I think it is important that there be rejuvenation, that there be new membership on council. I do not think there should be retreads back perpetually. The mandate or the order in council under which we operate limits the term of members on council. Technically, I could be reappointed for another term, but I have served for several years and I think it is very important that newcomers have an opportunity to express their views and their perceptions of what the policy direction is.

With that preamble, it seems to me there are a couple of reasons that are important. I think we can agree that multiculturalism is the direction our government is going. If we look at the statements of the Premier (Mr. Peterson) and of the minister in that regard, that is, in fact, government policy. That certainly seemed to be the case with the previous government, so I would take it as being the situation from an all-party perspective that multiculturalism in some form is a direction that all parties see as being important to the nature of the Ontario social environment.

If that is the case, I think there needs to be some sort of advisory mechanism to provide input to the government about the needs and aspirations of the communities. There is some question as to whether the format of the council as it is currently constituted is the most effective way of doing that. A number of models have been tried in various provinces, and we spoke to that issue at some length in our previous representations here on December 10.

1040

Our view is that the appointment process is probably the best way of selecting the people who are most capable of providing and in the best position to provide that advice. The question is then raised as to whether they are representative, and that, of course, is a concern. It seems to me that if we deal with that issue, there may be an intermediate option that would see the umbrella organization, say, of various ethnocultural communities nominate a basket of potential candidates for council, with the government then making from that basket a selection of appropriate people. That would both give the opportunity to give that geographic spread that we have some concern about as well as ensure that the people who are brought to council do reflect some sense of community participation in their selection.

I would not favour a representation where the individual would have to come speaking for the interests of that community, because I see that as being somewhat divisive. I have participated in organizations where that is the way the structure is set up, and you do get confrontations around very small issue-oriented things that are peculiar to a particular ethnocultural group. The nature of the council as we have it, where we tend to have an overarching perspective of the needs of Ontario rather than of the particular ethnocultural community, yet being sensitive to those concerns, is important.

The other aspect of council that is perhaps not often spoken to and really does not come across as having any meaningful effect, but is there, is the fact that when we bring 60 people from across the province together, we create a tremendous network and a tremendous pool of resources around multiculturalism; and we have an opportunity to share interests across the province, not only in an ethnocultural sense but also in a geographic sense, so that certainly the people from the south have a much greater appreciation of the needs of the people in the north, not only in the area of multicultural issues but also about what is actually happening in those geographic areas.



These relationships do not end when people get off council. Thus, that sensitization continues to occur within the ethnocultural and local communities from which the members came and across the network of these people communicating with each other and sharing those resources after their involvement in council. Thus, in that sense the council does serve as well an ongoing purpose of bringing together those resources and perpetuating those resources over a longer period of time.

Ms. Velshi: I agree with most of what Mr. Hassan has said, because we have discussed this, and I feel there is a need for an advisory council. I was at a planning committee in Winnipeg two weekends ago, and we were discussing the fact that New Brunswick has now formed an advisory council, and they are groping; they really do not know everything that one wants to know about it. We are planning an interprovincial conference among the councils and we hope this will get some support from the different governments, because most of the provinces are now seeing the need for an advisory council, facing the reality of the population as it is now.

Mr. Shymko: I thank you for your remarks, because apparently the information we have from the media--and there is a question on Orders and Notices asking how much consultation there is with communities in the selection and appointment of people to the entire area of boards, agencies and commissions, with some 4,000 positions. Therefore, it does make sense that some consultation and input be made and advice given about who should be there, and yet at the same time not make the advisory council simply a spokesman and lobbyist for particular groups but to have a more universal aspect of Ontario. What you are speaking about is not continuing the pattern of the past but improving it with more consultation and input from communities.

In the briefing meetings we have had, questions have been raised by committee members on the regional aspect of representation. Because Metropolitan Toronto and the Golden Horseshoe area of Ontario have a concentration of ethnocultural minorities and most of the umbrella organizations are located in this metropolis--correct me if I am wrong--there is a tendency to have overrepresentation by Metropolitan Toronto. Advice comes from this area because this is where these umbrella organizations are located.

My second question concerns the balancing act to maintain regional representation. In terms of priorities, should regional representation be just as important as the representation of these groups, or should it be equal as a concern or is the representation of ethnocultural minority interests really more important than regional ones? Is the present structure satisfying regional needs and regional representation?

Mr. Hassan: I can speak to that best because I served on the council both when it did not have a regional mandate and subsequently when the regional structure was placed on council a few years ago. There was a situation where the council had an overabundance of representation from the Toronto area. Many of the council members who came from the outlying areas felt very frustrated because they were unable to bring to the floor of the council particular concerns that occurred in their locales and that were common across a variety of ethnocultural communities.

The regional structure allowed us to get around that. However, it created different problems that related to the way in which we then dealt with an issue. We probably went through a year or a year and a half of trying to adjust to the regional fragmentation of council. We were unable to focus on an issue as a council as the whole, but rather dealt with issues within a

regional context and then had difficulty translating the regional concern to the floor. If a particular region took up an issue, there was the question of how to educate the other four regions within council as to the importance of that concern. Was it a provincial concern? Did it impact beyond the region?

As explained in the briefing document, we have more recently come up with a framework by which the regions identify their concerns and the executive committee is then the planning instrument. All the concerns are brought to the executive committee which then prioritizes them and looks at the human and financial resources it has. It addresses the most pressing concerns by forming an ad hoc, time-defined committee with a specific budget and mandate to look at the issue. It draws its membership from all the regions. As it is doing its research work, it consults with and receives input from each of the regions and then drafts a report. We suggest that each of these ad hoc committees be made up of five or six members.

That variant has not fully bloomed, partly because we did not have a full complement of council. Candidly, we have not exercised as much planning as an executive council as we should have, primarily because the president was dealing with other issues and the rest of the executive committee members are volunteers and do not have the time. The pulling together of this is an administrative task and we needed an executive co-ordinator. We now have a person on staff who recently joined us and who will present it to the executive for a decision-making process. The executive was trying to do it. We meet one day a month and it is very difficult to do that planning task in that time.

Mr. Shymko: I think you are moving in the right direction in giving that regional representation. Congratulations on doing that.

My final question is somewhat biased because at one time, when I was chairman, I actually expanded the council from the original 15 or 16 to the present composition of between 50 and 60 on the assumption that we should maximize the representation of communities so that the smaller groups were not discriminated against by the larger ones in Ontario.

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In the light of the fact that the membership of the Canadian Multiculturalism Council, which originally, some years ago, was 115 to 120, has been reduced to approximately 60 now--they do not plan to cut that to any less because they feel 60 is approximately representative of the number of ethnocultural groups in Canada--do you feel that approximately 60 is a manageable number and that it is correct to have and continue with that quantity of members, or do you think it should be reviewed and the membership revert back to a half or a third of those numbers in the future? This question has been raised time and time again in the past. What is the feeling of the council now?

Mr. Hassan: It is very difficult to conduct a plenary with that large a number. It is obviously a difficult problem to allow people to provide input. This is why the regional structure has allowed us to manage input effectively. Most of the discussion takes place at the regional level where there are groupings of 10 to 15 people. The regional format provides us with the opportunity to gain very personal input from all the members on council. I think that with a smaller composition of council we would have a very difficult time getting both the geographical and the ethnocultural



representation. If that is a primary objective, we are probably looking at between 50 and 60 members. We currently have 53 or 54 members.

Mr. Shymko: Do you feel that should continue?

Mr. Hassan: Yes. Certainly, if we want to cover the full spectrum of issues, then we need that kind of resource as well.

Mr. Shymko: I have two more questions.

Mr. Chairman: May I ask you to yield to the others and then I will come back to you?

Mr. Shymko: No, I might as well finish now.

Mr. Chairman: In all fairness, members have been waiting. I will come back to you.

Mr. Shymko: I do not think you will come back to me personally. If I may have your permission, they will be very brief questions.

Mr. Chairman: I would not feel slighted. I could never ignore you; you would not allow me to. Mr. Mitchell, would you like to ask a question?

Mr. Shymko: Once again, they are two simple questions. If you give me permission to complete them, I would appreciate it.

Mr. Chairman: You are trying me. You should never try me in the morning.

Mr. Shymko: I am trying very hard. I point out to you that some of us have the responsibility of being critics in certain areas. If you look at the procedure in estimates and in other committees, normally there is a bias accorded to the official critics of the area concerned. I am not trying to be funny and to monopolize things. I have only two important questions.

Mr. Chairman: In all fairness, we have only an hour and a half from the time we reached here to get started. You have used approximately 20 minutes of it. I will come back to you. I am sure Mr. Mitchell and Mr. Grande's questions are not that long.

Mr. Shymko: All right.

Mr. Chairman: In the matter of co-operation, I ask for some.

Mr. Shymko: I have always co-operated with you. I tried.

Mr. Mitchell: I will be very brief because our critic wishes to get back on. I am puzzled by a comment Mr. Hassan made at the very beginning. Which September was it when the executive of the council and the full council met with the minister?

Mr. Hassan: September 1986.

Mr. Mitchell: That confuses me, because going back to Mr. Frolick's comments, I have difficulty understanding how to read it. He said there had actually been no contact between the minister and himself for one year. I assume Mr. Frolick was a member of the executive and a member of the full

council. He said there was no contact, yet you tell me there were in fact two meetings in September, one with the executive and one with the full council. Which statement am I to take? I am not challenging anyone. I just do not know which statement to accept.

Mr. Hassan: I do not want to speak on Mr. Frolick's behalf but I think what he was alluding to in his statement was that he did not have the kind of contact with the minister he had had during the initial period; that is, access to the minister other than in these formal situations. In fact, I think there was one other occasion when the minister had a brief meeting with Mr. Frolick when Mr. Frolick met with the deputy minister at the time, but it was very brief.

Mr. Mitchell: I am going to have to go through and read the comments again. Certainly, if I were a layman and not a member of this committee and read what is in Mr. Frolick's opening statement, plus the balance of what he said, my assumption could only be that there was absolutely no contact. In fact, I recall someone saying that Mr. Frolick was expected to talk to someone lower in the staff level of the ministry than the minister herself. I do not have Hansard in front of me so I may be somewhat wrong, but that does confuse me.

Mr. Hassan: We could provide the committee with minutes of both of those meetings. In fact, I have a copy of the minister's September speech with me.

Mr. Mitchell: That would be very good, if you could do that. I have a final question. Mr. Frolick submitted his resignation December 1, effective December 15. Are you aware of any move at this time for a new chairman?

Mr. Hassan: No. We heard speculation that an appointment would be made the first week in January. The transcript of your meeting with the minister on December 17 indicated that the minister was going to move very quickly in the new year, but nothing has happened.

Mr. Mitchell: The reason I throw this question at you is the comment you made with regard to the fact you now have a full-time executive director. I believe those were the words you used.

Mr. Hassan: Executive co-ordinator.

Mr. Mitchell: Executive co-ordinator. In fact, there was definitely a need for a full-time president in that position. I am paraphrasing; I did not write down your exact words.

Mr. Hassan: Our staff is really quite handicapped in that it has no direction. We have a staff without a senior or chief executive officer.

Mr. Mitchell: Precisely so. Because the resignation was delivered by hand by December 1 and notification was given effective December 15, I would have thought there would have been an indication, if not an appointment, by now.

Mr. Grande: I have a few questions. I appreciate that we discussed appointments, the process, representation and changes in the Ontario Advisory Council on Multiculturalism and Citizenship last time, so there is no need to go over it again. I am interested in one comment you made, that people are selected or elected to the advisory council by community groups. In speaking



for the interests of the community, that would be somewhat divisive. Frankly, I do not understand it. Can you expand on that?

Mr. Hassan: On December 10, Mr. Frolick alluded to the differences in priorities among the various ethnocultural communities. For some communities, race relations may be the most crucial issue, and for other communities, language and heritage retention may be the more important issue. You are often faced with having to make very significant compromises in terms of how you address the multicultural questions. When a person comes from a particular organization representing that organization's needs and aspirations, it is almost impossible for him to take a compromising position in the interests of the overall constituency--that is, the ethnocultural community--without going back and receiving the consent of the organization he represents.

That process does not result in any kind of interaction. He does not have the opportunity to bring back to his own constituency all the dialogue that occurs within a committee. He may not even be in a position to represent the views of other groups to his own constituency. That kind of thing can happen in an informal sense, and it is true that the person who is speaking is not representing the community in a truly formal sense, but surely he represents the sensitivities and ambience of that community. We feel that is as important as a formal representation. I might give you a very brief example.

We have an interfaith committee. You can appreciate that there is a tremendous diversity in the perceptions of the members of that committee. We have representation from almost every faith group in Ontario. We want to deal with the issue of how the educational system should deal with faith questions. You are probably better aware than I that in the Education Act there are requirements with respect to religious exercises in the school system. That was the issue we chose to deal with. It meant a considerable amount of dialogue and considerable compromise.

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I am quite sure that if we had gone back to the particular church organizations and asked them, "Would you accept this position?" we probably would have received a "no" answer because they could not go to their communities and say, "This is our position." However, a Muslim, a Catholic or a Jew can say: "That sounds reasonable. I cannot say that our community will accept it but we can come up with a policy statement on interfaith services within the school system that would be reasonable to the majority of the communities." That is what we did. If we had official representation, I suspect we would have had a very difficult time doing it.

I might allude to another issue in the same area with respect to interfaith television broadcasting. As long as we were informally structured, we were able to reach an understanding on some sort of representation to the Canadian Radio-television and Telecommunications Commission on cable broadcasting in the interfaith areas. Ultimately, the proposal had to be a formal proposal in which funds and commitments had to be made. When formal church organizations and faith organizations were brought under the umbrella and tried to reach a decision, it fell apart. The Catholic church and the Jewish organizations refused to become involved. Ultimately, the Anglican Church dropped out and a few others dropped out. When you formalize the structure, it is very difficult to try to reach a consensus.

Mr. Grande: While I appreciate what you are saying, with respect, I

somewhat differ because the debate that occurs, whether it occurs at the advisory committee level or in the community as a whole, is still a debate that occurs in our society. Therefore, I do not think we should fear or be afraid of open debate and the airing of our differences. It is obvious the example you mentioned in terms of religion and opening exercises or religious exercises in the schools is a divisive issue to begin with. Therefore, the community at large in Ontario has different ideas, as well as the people on the advisory council. I am saying that I would not be afraid of that. That debate has to occur. Regardless of the level at which that debate occurs, it is natural that it occur if you want to reach a consensus, if you want to reach a place where most people feel comfortable. I guess it is part of our job to have those kinds of debates.

I understand that last time Mr. Shymko was asking questions of the minister about Bill 80; I am not sure whether it was the advisory council as well. I understand that the executive committee has either dealt with that bill or has reached or is going to reach a position in the near future in terms of heritage languages being part of the school day. Can I ask you whether it has been dealt with or is going to be soon?

Mr. Hassan: The text of the bill has been circulated to our regional committees. At least two of the regional committees have reviewed it, that I am aware of, and are forwarding comments to the executive committee. We expect that the other regional committees will also be forwarding their comments. The executive committee will be meeting this Saturday and hopes to have a response.

Mr. Grande: I would appreciate knowing of it; I am sure I will know.

Mr. Hassan: We are somewhat handicapped inasmuch as our formal recommendations have to have full council approval. What will likely be the outcome of the executive committee meeting is a sense of the council rather than a formal endorsement or position.

Mr. Grande: I ask that question because I know the council has been tackling this for a long time. It has had positions on this matter. Basically right now, the council is dealing with a particular bill as opposed to the concept. If I am correct, I am making an assumption that your regional councils are going to be agreeing with that. From the sense I have of the multicultural community in Ontario, there is going to be agreement.

Are there other issues upon which the council as a whole is in agreement and on which we can move with speed? I do not know whether I am making the question clear to you.

Mr. Hassan: In the education area or with respect to heritage languages?

Mr. Grande: In the education area or other areas. In other words, what I am talking about is that while there are certainly things or issues that divide us, there are other issues that join us together in an effort towards the development of this multicultural society that we all seem to want. What are the issues that join the council together? That is what I am asking.

Mr. Hassan: If I can respond to the first part of your question, it is true that the council has taken positions with respect to heritage language intention, has gone beyond what is currently in place and is more in tune with what the bill is proposing. The fundamental issue that the council is



questioning now is whether the bill goes far enough. That probably will be the question the council will address in its response to the bill.

With respect to other issues, we currently have a number of issues on our agenda in the area of counselling, for instance. The council is very rapidly reaching a position that will ultimately result in a recommendation about the provision of pastoral services in institutions where people are detained against their will. That does not just include prisons but extends beyond prisons to psychiatric institutions and other institutions where pastoral guidance is now available only through a paid staff member to the Christian community, and even there only through a specific pastor. There is consensus on that. As well, there is a dialogue on that issue with the ministry responsible for that, and there is some sensitivity to that.

In the area of media and the whole question of how the multicultural reality of Canada is projected, there is a fair amount of work being done by the council. We have not firmed up our positions, so we have not documented our positions in that area, but there is a fair amount of unanimity on some directions that we will probably be formulating very soon. That will involve some dialogue with representatives of the various media components, the print and the video media. We have some consensus in other areas of education which, again, is being formulated. We spoke to that on December 10; at least, Professor Alexander alluded to what we are doing in the southwest.

I am very poor at recollecting a list, but there is a whole ambit of issues that we are currently dealing with and on which we have a fair amount of consensus, but we have not formulated firm recommendations on them. The question of race relations--and the minister alluded to that--is something we are also studying.

Mr. Grande: Let me just say this. With what has been happening in the past four, five or six months in terms of the minister and the ministry versus the advisory council, it seems to me the minister and the ministry are saying that some structural changes are required in that council. I do not know to what extent the council has provided to the minister the structural changes that it sees.

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If the ones we have been talking about for the last little while are the ones, it seems to me the minister and the ministry are attempting to develop a multicultural policy which is different from the previous one, whatever that policy was. Somehow there seems to be a feeling that there is going to be a difference in the multicultural policy. Frankly, the advisory council may have to restructure itself or be restructured as a result of that policy.

For example, with respect to the report I mentioned last time we met, whatever it was, it was with regard to employment and positions of responsibility. I think Equal Opportunity is the title of that report. Has the council come to grips with the development of affirmative action programs for visible minorities and ethnic communities, for the people for whom you have a mandate to develop? Is this a direction the council would want to go?

There is the feeling that something new is taking place. How are you moving into this newness of a multicultural society?

Mr. Hassan: We have struck a committee to deal with that, and that committee is now formulating a mandate which it will present to the executive

committee on Saturday. Their program has been fleshed out; we just have not received it.

That is an area we need to move into, and it is something a few of the newer members of council have brought to the attention of council. They are prepared to make the commitment to get council moving into that area. They have some background. As I said, as you bring in new people, it is important that they also bring new perspectives and visions to the council. We think that is an important area. We see a linkage between the race relations concern and the multiculturalism concerns.

We made a recommendation to the government, and it is contained in the list of recommendations, that the cabinet committee on race relations be expanded to include multicultural representation. That recommendation was turned down by the minister.

In our study paper of March 1985, we made some reference to the need for an interministerial committee on multiculturalism. We think there is a need to bridge over a simple perspective of multiculturalism, that is, not to isolate multiculturalism to one sector and treat it in isolation of the other areas. We are pleased that we think the minister sees things in the same way. On the face of what we have read and heard from the minister, that seems to be the direction this government is going, an overarching view of multiculturalism across ministries.

The minister is projecting that the monitoring of government programs would be under the new mandate of council. It is in the current mandate, as I mentioned at the very beginning prior to your arrival. We have not yet discussed as a council whether we see that as an expanded role. Monitoring is important, but many of the council members are concerned that we would then be in a reactive role. We would prefer to have a proactive role as well, an initiating role, being the source of new programs, rather than simply responding to any deficiencies in programs that are generated, without any input from the ethnocultural communities.

We hope any restructuring would still permit us to fulfil an advisory role in the fullest, proactive sense. Rather than simply looking at what the government is doing and saying whether it does it well, we would like to address whether it meets the needs of the communities.

Mr. Chairman: One last question, Mr. Grande.

Mr. Grande: I have one last question, and that is it, about reaching the goal of making sure multicultural communities, ethnic groups--let us call them that; some people are offended by it, but I am not--get the affirmative action programs required and needed by these people, many of whom are qualified but simply are not getting to those positions of responsibility because of barriers. I do not know what they are, but there certainly are barriers. Do you see the need to develop a kind of mechanism similar to a women's directorate, for example, where you would have that kind of affirmative action and the Ontario Human Rights Commission making sure the monitoring goes on? In other words, do we need something structured that way as opposed to saying, "We encourage it to happen, but if it does not happen, we cannot do anything about it"?

Ms. Velshi: I was part, with Professor Frances Henry, of the committee being formed on race relations. One of the issues we addressed was that of the underutilization of minorities in the civil service. We feel there



needs to be a body that will monitor, even implement, what the government is now speaking of bringing in as a policy in multiculturalism. Like the women's directorate, if it is not enforced, and if it is not monitored, it will fall by the wayside.

Mrs. Marland: I was interested when you were referring to the need for extra help, in terms of pastoral guidance and comfort, for people who were, using your term, retained in institutions against their will. You mentioned psychiatric hospitals, I think, and perhaps other custodial detention centers, that kind of facility. Does the public not have full access now to those institutions? When I say the public, I am talking about the professional pastoral public, clergy of all denominations, certainly clergy of all faiths and ethnic backgrounds.

Mr. Hassan: Yes. There is access, but for people of minority faiths, it comes either from the community or from volunteers. On the other hand, the pastoral services are provided through employees of the government. The name of the committee or the structure slips my mind momentarily, but there is a pastoral group, an employee group within the government that does provide pastoral services, one pastor within each institution who services the Christian community.

That kind of provision is not available, even on a regional basis; for instance, a regional pastor who could service the Muslim community within the southwest region and travel from institution to institution. There is no provision for the training of people to provide that kind of service; that is, if someone from a small minority community were to volunteer, as it is now within the Toronto region--in fact, it is provided on a voluntary basis. In any of the other regions, the capability to provide that service is not even available within the local community of minority faiths. One of the problems is that the numbers are very small. The other aspect, of course, is to find someone who can provide that service.

Mrs. Marland: In addressing this area, you are really speaking to residential pastoral services within those institutions?

Mr. Hassan: Yes.

Mrs. Marland: As you have just said, the fact that the numbers are small is a problem in itself, but you see the solution to that being to provide someone who will travel to a number of institutions and not necessarily be tied to or be resident at one particular institution?

Mr. Hassan: Yes. The committee has not formulated its final recommendations, but that is the direction in which it seems to be heading.

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Mrs. Marland: That is one of the areas of concern the committee has.

In the interim, with the fact that there is Christian-directed staff in that area now, has there been a problem at all in having those services rendered by volunteer representatives of the clergy of any ethnic group?

Mr. Hassan: As I had indicated, it is happening in Toronto, but by and large, it is not happening any place else.

Mrs. Marland: Why is that? Because there are no people from those other denominations anywhere else?

Mr. Hassan: Because there are no qualified people.

Mrs. Marland: With the background in the problems that those people who need the service are facing?

Mr. Hassan: Yes.

Mrs. Marland: I see.

Mr. Hassan: There is no provision for training them. There is now an interfaith committee working with the government's pastoral services organization. Through some intervention of the council, they are attempting to rectify that situation.

Mrs. Marland: I can appreciate it is very complex, especially in terms of numbers of people needing it and varieties of faiths. It is a very big challenge.

Could I just ask you a little more about the heritage language program? I was not quite clear from one of the answers you were giving to Mr. Grande. Has your organization worked with the Ministry of Education in developing the current thrust and proposals contained in the new heritage language programs?

Mr. Hassan: Not the new thrust. Over the years, we have made a number of recommendations with respect to heritage language programs. We believe the current program is partly a result of recommendations that have come from council. Council's recommendations have gone beyond what is in place now and what is proposed in Bill 80. In the past, we have proposed third-language instruction.

Mrs. Marland: That is part of the daily program?

Mr. Hassan: Yes.

Mrs. Marland: Were you personally involved back in the 1970s when the heritage language program was introduced, around 1975 or 1976?

Mr. Hassan: No.

Mrs. Marland: At that time, as a trustee on the Peel Board of Education, I was involved. Certainly, the thrust that came to me as an individual trustee and to our board as a whole at that time from the multicultural groups was that they preferred not to have the program within the regular school day, but to have it the way the heritage program is currently set up.

Are you saying that the position of the council today is that it would be an automatic choice to have third-language instruction available in the regular school day?

Mr. Hassan: I will not say today, but there are recommendations of two or three years back that that was the position of council. We will be dealing with it again relative to Bill 80. The current position will be enunciated once we have looked at it a second time.



Mrs. Marland: In response to Bill 80?

Mr. Hassan: In response to Bill 80.

Mrs. Marland: I guess the current heritage language program is probably 10 years old. Has anybody from the Ministry of Education discussed heritage language programming in the province with the council in the last three or four years?

Mr. Hassan: I do not believe so.

The educational conference that was held last year drew together representation from the board, staff, student and parent levels. I am not clear on what the outcomes of that conference were. It dealt with educational issues. I am sure education was one of the issues that was dealt with there. That was the conference Mr. Frolick alluded to at the December 10 meeting of this committee. Council was represented, but we were not formally involved in the planning organization of that conference.

Mrs. Marland: Have the people of Ontario who are represented by the council been canvassed or has their opinion been actively sought on this subject? The reason this is such an important question is that the feedback I have been getting from my multicultural group is that its dissatisfaction is with the availability of English-as-a-second-language classes in the public school system. That concern is way ahead of their concern about having a heritage languages program introduced into their daily curriculum. You are the ideal people to ask this question because you are representing all those people.

Mr. Hassan: We have also made recommendations in the area of ESL. We feel that is important. We also feel it is unfair to say, "You may have either ESL or heritage languages; you cannot have both." The bill as it stands will provide the opportunity for both, the transition to English as well as the opportunity for heritage retention.

Mrs. Marland: I am not an educator, but I am a mother. Having gone through the upbringing of three children, I am wondering whether it is a lot to ask a young student living in Ontario today who is struggling with ESL classes to take at the same time, in that same school-day curriculum, a heritage language program. It is reinforcing something we hope they have in their homes, yet they are struggling with this new language. When you say it is not fair to say "either/or," in your opinion, which is more important for that young person to function in Ontario?

Mr. Hassan: We are probably talking about two groups of children. We are talking of children like myself whose first language is English and who would like to retain their parents' mother tongue.

Mrs. Marland: Yes.

Mr. Hassan: As well, we are talking of immigrant children whose first language is other than English or French and who would like to learn English. They probably will retain their heritage language irrespective of whether there is a heritage languages program in the school. There are two constituencies, the first and the second generation.

Certainly it is not going to be imposed. It would be available only if the need was demonstrated by that community. I do not believe we have ever

suggested it should be a mandatory requirement imposed on a community. However, if there are sufficient numbers and if the community feels it needs to have heritage language retention, we feel the board should be obligated to provide that program.

Mrs. Marland: Am I taking up too much time, Mr. Chairman?

Mr. Chairman: No. I will remind you in a couple of minutes.

Mrs. Marland: I think it is when we get to the secondary school age that we recognize the value and importance of our heritage, whatever it is. As an adult, you may be as interested as I am in knowing more about your background and heritage. Obviously, part of that is a language skill, a faculty with the language of your heritage too.

The elementary school student is the one I am concerned about in terms of the number of programs that are needed that are not available today. It goes beyond the realm of multiculturalism or into all the different ethnic backgrounds of elementary students in Ontario. We do not have enough programs available in ESL, English as a second language, and you have agreed. We certainly do not have enough for children with learning disabilities and so on.

I am wondering: As someone who represents the multicultural community in Ontario, you say it should not be an either/or situation. The reality is that somewhere at some time the school board administrations have to do the hard job of biting down and making the choices in priorities, because it is demanded of them. The priorities have to be established, because there is not unlimited funding.

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If it is an either/or situation in terms of money--which it will end up being because we cannot afford to do everything for the elementary school student--do you, as someone representing the multicultural community in Ontario, prefer to see English-as-a-second-language classes available for, as you said yourself, the immigrant child? I am not talking about the second-generation student who has English as his first language. Do you see the overall benefit to our multicultural community in Ontario as being greater in having expansion of ESL classes available for that child to function successfully in Ontario in his adult future?

Mr. Hassan: I would be like Solomon: I would have a very difficult time in making that kind of judgement. I think it really is the responsibility of the people elected to our school boards and to our parliaments to make those kinds of judgements after receiving all the representations from the various interest groups.

My view is that we would reinforce an assimilationist tendency if we forgot about the multicultural reality and the need for cultural retention. Certainly in terms of priorities, when we look across the full spectrum of what is happening within the education system, we are seeing a downgrading of all the multicultural components. It says something to those of us who are of the second generation, at least that this aspect of our policy is really going to be provided only lipservice and not substantive support.

Mrs. Marland: Can you give me an example of the downgrading of the multicultural component of an education system today in Ontario?



Mr. Hassan: Again, referring back to our meeting with you on December 10, Professor Alexander referred to the situation in Delhi, Ontario, where the multicultural course was dropped completely from the choice of courses available. The current Ontario Schools, Intermediate and Senior Divisions requirement only superficially touches on the need for multiculturalism in the school system, in a much more superficial way than in the previous multicultural course.

It is going to be left now for the ethnocultural communities and organizations, such as the advisory councils and other groups interested in multiculturalism, to ensure that the local boards themselves carry some sort of multicultural component across the curriculum. There is a great deal of doubt as to whether that is going to happen.

Mrs. Marland: Will those ethnocultural groups be willing to make a choice on behalf of the people they represent when it comes down to the fact that we cannot all have everything? The reason I ask you this again is that you say it is going to be up to the Legislature, the school board trustees and others to make those decisions on the basis of what they are told.

Those people on the school boards and those of us in the Legislature cannot make those decisions in prioritizing unless we have firsthand experience. That is why we are dependent on people such as those in your organization to say: "Look, folks, if it is a matter of dollars"--and we realize it is, because the money is coming from all of us, no matter who we are--"and that elementary school student needs the facility of the language, or the two languages of the country or of the province to survive, to be successful in business, to function on his own as an adult, if it is a choice between English-as-a-second-language instruction and heritage languages programs in terms of funding, what will the recommendation be?"

Mr. Hassan: I think the communities would be prepared to make a choice, but the choice would also be contingent on other things: that is, the inclusion within other curricular materials of the multicultural heritage of Ontario and Canada. For instance, in history, social studies and geography it is not a change in the course itself but a change in the content of the course: that is, an inclusion of units that would reflect that reality. If that content is not there, then obviously there is no reflection on how we are composed. Then I think the communities would sense that there was not any commitment to multiculturalism and they might wish to see more in another direction.

Mrs. Marland: That description you have just given is the easiest part because that, in fact, is part of our history in Ontario and in Canada, fortunately. That is an easy part to include.

Mr. Hassan: That is right.

Mrs. Marland: It is really the language instruction that I am interested in because that is what we are talking about in heritage languages.

Ms. Velshi: On the other hand, when you say that we do not have the dollars for the multicultural or the heritage languages courses, then we are really killing our policy of multiculturalism. On the one hand, we are saying our government is in favour of multiculturalism, and then we say we do not have the dollars to practise it or implement it.

Mr. Chairman: Is this your last question?

Mrs. Marland: Yes, I guess it has to be.

What I am saying is that the reality of how many dollars can be spent on education today is an ongoing responsibility for all of us. We all know that more money is spent on education than on anything else after health.

If the responsibility is in looking at education for the future of those young people functioning in a country and a province where the official languages are French and English, and if those children are not getting what they need in order to operate and function successfully in those two languages because they need ESL classes, would the priority not be that they have the ESL classes rather than the heritage languages classes, which they can have at any time in their lives? They can study their heritage language when they are adults, and not only their heritage language but also their heritage culture. For them to function every day in that classroom and to understand what their English-speaking teacher is saying, does that not have to be a priority when they are getting their academic education in elementary and secondary school?

Ms. Velshi: It is proven that a child can comprehend much more in its formative years than in its adult years. Therefore, it is always the practice to teach a child something in its infancy or in its childhood. Therefore, it makes sense to teach it to them while they are young. I have a feeling the government will have the problem of financing it.

Mrs. Marland: We must remember that the government is you and I.

Ms. Velshi: Yes.

Mr. Chairman: Thank you, Mrs. Marland. Mr. Epp?

Mr. Epp: Thank you, Mr. Chairman. I have one or two questions I would like to ask, if I may.

One has to do with the way your council is viewed by the multicultural community as a whole. Can you comment on that, Mr. Hassan? You may wish to take a few minutes to give us a broad overview of how you feel your council is being viewed. Is it helpful? Is it not?

Mr. Hassan: I can just refer to the comments Dr. Munro made to us. I believe it was at her meeting with us on September 27.

Mr. Epp: I would much rather have your comments than Dr. Munro's comments.

Mr. Hassan: We do not have any direct way of corroborating the feedback. I can tell you what my personal experiences are in talking with communities. I think we are very poorly known. We have not done any public relations. We used to have a publication called Multiviews that went out to as large a constituency as we could reach. Unfortunately, the timing of the printing of it did not result in a timely publication that was very meaningful, so we discontinued the publication of that particular newsletter. We are looking again at reinstituting it in a briefer form that might get us a greater window.

We are encouraging all of our members to go out to their communities, whether it be their own particular ethnocultural community or other multicultural groups within their local jurisdiction, to speak about the council and make them more aware. In the last year, we have had several



opportunities to do that. There is a sense that there is a need for advocacy at the provincial level.

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Mr. Epp: Advocacy of what?

Mr. Hassan: The multicultural issues and their concerns.

Mr. Epp: To whom?

Mr. Hassan: To the government.

On the downside, some of the concerns that Mr. Grande raised have been expressed by several of the ethnocultural communities in the sense that the advisory council is not formally representative of them. I am a member of the Canadian Ethnocultural Council, which is an umbrella organization.

Mr. Epp: Is there one from each province?

Mr. Hassan: No. Each constituency has elected members from the national ethnocultural organizations.

Mr. Epp: Are there about 35 on that council?

Mr. Hassan: No; it is not a government agency. It has a much broader representation than that.

Mr. Epp: Just a federation of individual units?

Mr. Hassan: It is a federation of national organizations. The umbrella organization for the Italian Canadians would send its president and two representatives would there; the Canadian Arab Federation, the National Federation of Pakistani Canadians and so forth. Each of those national organizations, which represent their local constituents, elects representation to the Canadian Ethnocultural Council. The other organization you speak to is the Canadian Multicultural Council, which is a federally appointed body and is, at the federal level, analagous to the Ontario advisory council.

Certainly within the CEC--that is, the elected group--there is a sense that the Ontario advisory body should be formally structured in the same way as it is: that is, the members are, if you want, political hacks. No matter what the government is, they have been appointed in a partisan sense and they do not truly reflect the reality. That comes across very clearly when I speak to members on the CEC. They make the analogy between the Canadian Multicultural Council, which is appointed at the federal level.

I am aware that there is a tremendous amount of partisanship within CMC. In fact, it comes across very clearly.

Mr. Epp: What kind of partisanship?

Mr. Hassan: Political partisanship at the federal level.

Mr. Epp: Representing the government in power?

Mr. Hassan: The government of the day. If you refer to the minutes of the standing committee on multiculturalism of November and December, you

will find that it was quite clearly substantiated that it is partisan. Its perception of the Ontario advisory council is probably coloured by what it perceives to be happening at the federal level.

I do not believe that is the case. In my tenure on the advisory council, almost all the members have put aside their political colours and there has been, I think, the full spectrum, if you will, from the social justice side to very conservative views on the council.

The full spectrum of views on heritage languages--for instance, where people are saying we should not have it, that it should be an assimilationist view--that full spectrum has been represented in council in a nonpartisan sense. There have been a few instances where there have been people who have carried their own political affiliations within council. They have been turned off very quickly by other members of council.

By and large, I feel very strongly that the members who come to council come because they are very concerned and very interested in multicultural issues. They feel they have, in a large sense, an understanding of their community needs. In my particular case, I am supported in representing the views of two constituencies on the advisory council, the Canadian Arab community and the Canadian Muslim community, even though I was not elected. In fact, I was subsequently elected to represent the Muslim community on CEC. I am sure that is the case with several other members on council.

Mr. Epp: Let me get two questions answered. I know I do not have a lot of time. I have more time, but I know that we break up at 12 o'clock, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Epp: First, has the council sat down and looked at recommendations it can prioritize and make to the ministry--one, two, three, four to 50, or whatever the case may be--of how it can deal more effectively with the community it is trying to serve?

Mr. Hassan: We have been going through that exercise. One of the things that has happened with the Ontario Advisory Council on Multiculturalism and Citizenship over the last year, partly because of the regional organization, is that we have tried to institute some management structure into council to deal with a planning function that has never existed before. We think that is very important. It is important for those of us who are serving on the council to provide as much input as we can, as effectively and as cost effectively as we can.

Mr. Epp: It is important to you, because you want to know whether you are making any progress. It is important to the government to have recommendations to know where you stand and where to go. To represent your community effectively, you have to have these things down; otherwise, there is no measurement of whether you are making any progress. It is not a big social, a coffee party or something of that nature. That is not the case.

Mr. Hassan: I can assure you our council members do not have very much time for a social life.

Mr. Epp: I am not implying that is the case. I want you to understand that.



Mr. Hassan: In the last year, we have formalized two documents. One relates to the method in which we will pass recommendations through the system, how they will be formulated by council, how we will deal with prioritizing issues, how we will structure committees and what the process will be.

We have also created a document that provides the guidelines for our interaction with groups outside the council. We cannot operate in isolation. We have to interact with community organizations, the media and the government. We do not want our recommendations simply to go to the government for its reaction without any prior involvement within the particular ministry they are directed to. Therefore, we have been having contact with government officials in a few areas.

Mr. Epp: What you are saying is that to have success in those recommendations, you want to be able to have some indication of whether the government is going to accept them. There is no sense in making them if there is no chance of acceptance. Is that what you are saying?

Mr. Hassan: No. We see it as laying the groundwork within a bureaucracy for the recommendations that are going to be coming. It is also to receive some indication of where the government's policy is likely to be heading. All of these meetings are informal. We have agreed that when we meet with the ministry we will not take a position as a council; we will throw out ideas.

The other thing is that we want to sensitize those people in other ministries who are not involved directly with multicultural issues to the multicultural perspective, so that when they deal with issues other than the ones we are specifically dealing with in our conversations and dialogue with them, they may be more aware when they formulate other policies or programs that there is this multicultural component that they have to deal with in areas we may not even be aware of when we are talking with them.

Mr. Epp: Have you as a council addressed the most effective way to make recommendations to the government and have them accepted? Obviously, that is your purpose; you do not want them rejected.

Mr. Hassan: We have not addressed it in the formal sense. Part of this processing of recommendations did touch on that and the need for interaction prior to the recommendations going forward, so that we pave the way for the recommendations.

Because of the way the recommendations are framed, we do not in most cases provide a lot of background material. The recommendations have to be voted on by council as a whole, which means we have to get agreement by 60 members for virtually every word in the recommendation. It is a difficult process, particularly with the issues we are dealing with.

If you look at the documents that have been submitted to the committee on some of the recommendations, you get a very brief statement of "whereas and therefore we recommend this," without all the background documentation.

One of the things that would be helpful would be an opportunity by the committee of council that has developed the recommendation to brief the particular ministry prior to the ministry's providing a response. As well, subsequent to the ministerial response, it would be worth while to have a meeting with the ministry to get its insight, because its responses are very

brief and terse. It would be worth while sitting with the ministry representatives who prepared the response to get some background of where they come from so we can come back to council and explain what the concerns are. It may be that we would want to then do another cycle, address those concerns and come back with a recommendation that deals with those specific concerns.

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We do not have an opportunity to have an exchange. If you examine the responses, you will find that over the years in many cases there has been a misunderstanding of what the intent of the recommendation was, that the responses do not address what the concern was and there is not an opportunity for another cycle.

Mr. Chairman: Your last question.

Mr. Epp: Yes, this is my last question. Thank you. That is a very subtle hint.

Do you appear before a cabinet committee at any time or do you make your recommendations directly through the minister?

Mr. Hassan: The latter, directly through the minister.

Mr. Epp: Have you addressed the question of whether you should appear before a cabinet committee on an annual basis or before a standing committee of the Legislature on an annual basis to make a report?

Mr. Hassan: The only report that is prepared is an annual report. I do not really know how that is distributed. As for a direct response, we have not made any suggestions of that nature. I do not believe any have been made, at least not within my term.

Mr. Epp: How long is your term?

Mr. Hassan: I have been on for five years now.

Mr. Epp: Are those two three-year terms? Is this your second three-year term? What is the duration of your appointment?

Mr. Hassan: The initial duration was two years, and then there was another two years. I was subsequently appointed vice-president in the middle of that two-year term.

Mr. Epp: Does that give you a life appointment as vice-president, or what happens?

Mr. Hassan: No. The vice-presidential appointment is a two-year appointment, the same as that of the other members. It concludes in the spring of this year.

Mr. Epp: I was being a little facetious. Sorry about that. I did not mean to. I was just adding a little levity to the discusssion.

Mr. Hassan: I do not know whether I would want take on a life appointment.

Mr. Epp: I am sure you would not.



Mr. Shymko: I will start with the important question first and maybe the less important second. To continue the part of an issue that was raised by Mr. Epp--

Mr. Epp: A very nonpartisan question on my part.

Mr. Shymko: The nonpartisan question on the politicization of agencies, boards and commissions. You may recall recently the statement made by Premier Ghiz of Prince Edward Island, who said that he has realized that although he made a commitment during the election that he will eliminate partisan appointments to government, the reality is such that he cannot avoid doing it. We have a Tory Prime Minister who prior to the election criticized political appointments and yet we saw the reality happening. I do not think anyone has any illusion about the fact that there is an element of political appointments that has always been, is and will continue to be.

You referred to the minutes of a standing committee in Ottawa. I want to refer to two comments made by the past chairman in the minutes of this committee and to ask you whether or not he has reflected the views of the council in one comment and whether the other is a simply a subjective view or whether it reflects the council's views as well.

The first statement made by the chairman is the following: "For the sake of its credibility, the council has always opposed unwarranted interference in its operations. It has steadfastly offered resistance to being used as a partisan political football and to any attempts to exploit the council on multiculturalism for partisan political gain. I believe that if all council members unanimously agree on anything at all, it must surely be that the council for multiculturalism and all it stands for must be kept free of party politics."

Do you think that statement is supported and is shared by all council members?

Mr. Hassan: I would say yes.

Mr. Shymko: In other words, he spoke really representing the views of the council.

The second quote, which I would like to have you tell me whether it is own personal observation, is the following: "The Premier finally appointed 20 new members in July 1986. A new, disquieting element was introduced because some of these new members unfortunately assumed an adversarial role and proceeded to introduce a regrettable element of political partianship which has always been foreign to and absent in this council from its very beginnings.

"Some of these newly appointed members have free access to the minister's staff and senior personnel in the Ministry of Citizenship and Culture, which I as the president do not have. I do not think for a moment these new members are actually being encouraged to be obstructive. However, I fear they might well be interpreting their relationship with the minister's staff as at least giving them tacit support for their actions."

Are these comments subjective or do they reflect some element of reality?

Mr. Hassan: My response would be subjective. I found it very difficult serving as a vice-president of the council and interfacing among our president, the old members and the new members. In any situation when new

members come on, a certain tension is created between the old and the new members. I recall when I was first appointed that this tension existed.

In Mr. Frolick's case, there were several new members who perceived him as a political appointee. For some reason, they felt he was responsible for the tensions that existed between himself and the minister. I do not believe they had sufficient background to what had transpired. As Mr. Frolick alluded to in his comments to the committee, he attempted to keep the members fully appraised of his position with respect to the financial and human resources of council.

I believe there was a sense among many members of council that Mr. Frolick may have pursued that particular issue too vigorously, to the detriment of the more substantial issues with which the council should have been dealing. They probably perceived that, because of Mr. Frolick's political background, as being a partisan kind of reaction to what was happening. I do not think that was actually the reality but that was the perception. Consequently, there was a fair amount of, I would say, antagonism between Mr. Frolick and several of the new members. Mr. Frolick interpreted that as political. I frankly do not believe it was so. I believe it related more to personalities and to perceptions that were not true.

One other thing that happened was that because the appointments were made in July, there was no opportunity to have an appropriate orientation for the new members as soon as they were appointed. As a consequence of that lack of orientation, many of the new members came with unrealistic expectations to the first council meeting, which was delayed because of lack of availability of facilities in the Macdonald Block during the renovations being done there. Consequently, having lost four or five months of their appointment, they came without any sense of accomplishment or any purpose; and they came, as you are probably aware, with a tremendous amount of vigour and a sense of vision.

I think they came to that first meeting expecting some very dynamic things to happen, and they were disappointed. That continued to frustrate the relationship between Mr. Frolick and some members of the council. In a sense, what Mr. Frolick says about this question of animosity is partly true. However, my own personal assessment is that it really did not relate to partisanship in the sense that the new appointees were Liberals or Liberal sympathisers and they acted to thwart Mr. Frolick. Rather, it was their perception of him and his perception of them.

Mr. Shymio: The key word you have repeated so many times is the word "perception." I tend to agree with you that sometimes there may be the same party in power for years, but the sheer change of people creates conflicts, and that element may have been there.

However, going to perception, politics is 90 per cent perception and 10 per cent content; we know that and you know that. Some time ago when the council was created, it was located at 700 Bay Street, sharing facilities with three other advisory councils--the seniors, the handicapped and another council.

Mr. Hassan: The Franco-Ontarian council.

Mr. Shymko: Yes, the Franco-Ontarian council.

There was a move to 1200 Bay Street to be closer to the ministry. Proximity to the ministry indicated not only influence and impact, but also, even as a physical facility, there was an interaction in being close.



The third change was to move to 77 Bloor Street West to share the floor adjacent to the ministry. There was a direct communication between staff, a very practical way of being close to that. There was close proximity to ministry offices apparently and what it represented. Perception was important and in reality there was an element there. The recent move of the council to share facilities in the same building on a floor adjacent to the headquarters of the Liberal Party of Ontario adds another element with regard to perception. Because you are in the same building, or the same floor, does it necessarily mean politicization or partisanship?

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Mr. Epp: It just goes to show the freedom people have.

Mr. Shymko: I am saying that politics is perception.

Mr. Epp: I must take exception; I got here not on a basis of perception, but on a basis of votes and so did you.

Mr. Shymko: Even such simple things as a facility and where you are moving and in which direction may sometimes trigger perception problems, which I hope does not reflect the reality. I thank you for your comments on my first question.

Mr. Hassan: Can I comment on that last question? In reality, we share a floor with the ministry's Toronto regional office; the central region. For us, the greater perception is that for people to visit our office, they have to pass through the reception area; in fact, through the entire office, of the central region of the ministry. This leaves the impression that we are a part of the ministry. At least it is the impression I had as a member going through there and being received by a ministry official. I think that is a greater concern.

Mr. Shymko: You have answered my second question.

Mr. Hassan: I do not have a problem in being in the same building. In fact, I did not even know who else was in that building. I do not think that is the major concern. We need to have an identity different from that of the government if we are going to be perceived as an arm's-length agency.

Mr. Shymko: That was my other question, which is nonpartisan, regarding the arm's-length aspect of a body that plays the role of an advocate. I think you must agree that there is an advocacy element you perform in terms of what people perceive you to be. This brings me to the question of such things as appearing before committees of the Legislature and supporting private bills, and maybe even public government bills, on issues you feel are very important to the ethnocultural communities of Ontario.

My question to you on the element of advocacy and the structure of the system and the operation of a parliamentary system of government is this: Would you, for example, be willing to appear before the social development committee of the Legislature when Bill 80 is being dealt with to present your view, or do you feel that would be too much of an intrusion of advocating issues? Would you feel comfortable doing this as you did on the Family Law Act?

Mr. Hassan: I was going to allude to that. We have appeared before the committee on a number of occasions. I probably cannot recall them all, but we submitted a report with respect to the Macaulay report. We submitted a

response to an issue with respect to libraries as well as to child abuse and a number of other issues. We have not had an opportunity to deal with this, but we like very much to respond to Mr. Sweeney's response on areas of social development.

Mr. Shymko: You have no problem in supporting a private bill such as Bill 80 before a committee.

Mr. Hassan: We have no problem making a representation with respect to those kinds of things.

Mr. Shymko: You have no problem making a representation or commenting. You would have no problems making a representation on such private bills as declaring a public commemorative holiday, let us say, for Martin Luther King Jr., which is supported by a specific community, the entire black community of Ontario, or would you be careful when it becomes a specific concern of one community, a visible minority? Would that be an area you would try to avoid?

Mr. Hassan: No, I would not react specifically to the example you gave, but I can tell you that the council has taken positions, for instance, on compensation for Japanese Canadians. Where we feel there is a need to focus on an area where a particular community is aggrieved or has special needs, we are prepared to look at it as a full council.

Mr. Shymko: For example, you have been supportive of the government decisions of past administrations and of the present administration to proclaim independence days, memorial days and so on, the official proclamations of the Premier's office, which has been a standard. If that were eliminated, would that be a concern you could raise?

Mr. Hassan: In fact, in many of those situations we have sent representatives to bring greetings from the Ontario Advisory Council on Multiculturalism and Citizenship to particular communities.

Mr. Shymko: You feel there are things happening so that if they were jeopardized, you feel it would be a concern of the council to address that.

Mr. Hassan: Yes.

Mr. Shymko: A final question: TVOntario and the Ontario Arts Council have very strong built-in structures for the francophone community of Ontario. There are feelings that not enough attention is being given at the Ontario Arts Council to a structured system to promote the nonofficial minorities of this province and that TVOntario should also have some kind of structure in place to promote programming geared to the nonofficial language minorities. Do you advocate structural changes within agencies and boards, some associated with your lead ministry?

Mr. Hassan: We are currently talking with TVO. I can tell you that the council certainly advocates a broader perspective in both those organizations, but as to how that should come about, we have not reached a consensus. I can tell you that in the case of the arts, the concern among artists from the ethnocultural communities is that they see the need for special support, but they also see the need to be considered part of the mainstream, if you will. They see a real dilemma in how that should be handled. There is a concern about taking ethnic art and parcelling it out and saying that it is not a part of the Canadian scene. I can speak very directly



to that because my sister is an artist and has consulted with me on her concerns in that area. She belongs to an artists' coalition that deals with that issue. We think those are concerns but we have not come down to how we should deal with them.

Mr. Shymko: A final question: My understanding of your perception of the council is that you do not represent just--

Mr. Epp: This must be the final final one.

Mr. Shymko: It is the final one. You represent francophone issues and native issues as well. You have advocated their concerns and their efforts and interests in a number of recommendations. Would you, for example, recommend things for the first ministers' conference, which I think will be in March of this year, on constitutional protection for the natives, in such areas as that? For example, there is the direction of the francophone community of Ontario towards full bilingualism in the province. What are your stands on those and would you hesitate or not hesitate to participate in those?

Mr. Hasan: What we would want to do in both those situations is have a frank and candid discussion with both those communities. With respect to the native peoples, we have had a number of consultations and we have initiated dialogues. Basically, our perception of their view is that they would like to take the initiative. They do not see their needs coming directly under the ambit of the advisory council. What we have said is that we are available and that we would be supportive of looking at their concerns and providing recommendations that may or may not be--we would not prejudge the issue. We do see that there are native concerns that we could follow up on. We have made representations in the area of native education, for instance.

Mr. Chairman: My watch reads 12:10 p.m. Unless there are any serious objections, I will thank Mr. Hassan, Ms. Velshi and Ms. Rowe for being with us and for their co-operation.

Mr. Epp: Before you adjourn, can you let me know, as a new member on this committee, what is on the agenda for next week?

Mr. Chairman: Yes. Next week we have a review of our first report. We are doing this review as we go along. What we have planned in future meetings--

Mr. Epp: Do we have copies of that?

Mr. Chairman: Yes. Next week, we will review a draft report. On February 4, we have staff briefings re the first three agencies we will be reviewing during the break. We have on the list the Liquor Control Board of Ontario, the Ontario Northland Transportation Commission, the Agricultural Institute of Ontario, and eventually, Ontario Waste Management Corp., Pesticides Advisory Committee and Ontario Housing Corp. We are going to be briefed on the first three at that meeting I mentioned. We will give you a copy of this so you will know what we are doing.

We are planning to sit for approximately three weeks during the break and possibly a fourth week, if we need it, just before we return or before an election, whichever comes first.

Mr. Epp: You may know more about it than I do.

Mr. Chairman: I hope not.

The committee adjourned at 12:11 p.m.



STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

AGRICULTURAL COUNCIL OF ONTARIO

MONDAY, MARCH 2, 1987

Morning Sitting

STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Cooke, D. R. (Kitchener L)

Epp, H. A. (Waterloo North L)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Mancini, R. (Essex South L)

Marland, M. (Mississauga South PC)

Smith, D. W. (Lambton L)

Swart, M. L. (Welland-Thorold NDP)

Substitution:

Ashe, G. L. (Durham West PC) for Mrs. Marland

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Witnesses:

From the Agricultural Council of Ontario:

O'Brien, D. A., Chairman

Tanner, Dr. J. W.

Epp, P.

Lewis, F. A.

Grant, J. K.

Hill, G.



LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Monday, March 2, 1987

The committee met at 10:09 a.m. in room 230.

AGENCY REVIEW  
AGRICULTURAL COUNCIL OF ONTARIO

Mr. Chairman: I would like to welcome the Agricultural Council of Ontario and thank you for coming out. I assume Mr. O'Brien is the chairman. We have Jon Grant, Fred Lewis, Jack Tanner, Peter Epp and Gordon Hill. For the gentlemen who are sitting back at the tables, if you are going to be speaking, perhaps you could move up to one of the microphones.

Thank you again, Mr. O'Brien, for coming. We certainly are looking forward to this. It should be an interesting morning and afternoon. Do you have an opening statement that you care to make?

Mr. O'Brien: Yes, I have a brief opening statement.

I would like to more formally introduce the members of our council whom we have with us today, if I may. As you no doubt understand, we operate as a council and each member has a large area of expertise that he brings to the council. Many of the questions you may have today and some of the exchange will relate more properly to some of the members we have with us today. We do not have the whole council, but we have six members here today, including myself, who are basically representative of the council.

I would like to thank you for the invitation this morning and give you a very brief outline of the history of the council. Before I do that, I would like to introduce possibly more formally the members you mentioned previously.

On my left we have Gordon Hill, who most of you probably know as the former president of the Ontario Federation of Agriculture for quite a number of years. He has been very active in agricultural work and agricultural politics over the years. He farms with his family in western Ontario in a swine operation.

Next to Mr. Hill is Peter Epp, who is presently the chairman of the soy bean board of Ontario. He has been very active in former years at the federal level on an advisory basis. He is now quite active with us at the provincial level. He is sitting presently as a member of the debt review committee. You may have some questions relating to his experiences there. He farms as a cash crop farmer in southwestern Ontario.

On my immediate right is Dr. Tanner, who is a professor at the University of Guelph, heading up the very large department of crop science. He also chaired the wine commission that toured the province over the past few years and gave a report. He was very busily engaged in that matter.

On my right is Jon Grant, who is the chief executive officer or president of Quaker Oats Co. of Canada. He brings a lot of talents to our council by representing the processing industry. We are very grateful to have his leadership. He has been a community leader in many areas in this country.

On my extreme right is Fred Lewis, who is a cash crop farmer, also in poultry and beef, near London, Ontario. He is a very large farm operator, very active in agricultural matters, a former warden of Middlesex county, sitting presently on the Farm Debt Review Board. He is sitting as well on the corn council of this province and is very actively engaged. He may have some answers if you have any inquiries with respect to the debt review matters in Ontario.

As you are probably aware, the council was set up in May 1984. At that time, the appointments were made to represent the province geographically, including the north, the east and all parts of the province, as well as to represent the francophone factor. We have had a French-speaking member on the council at all times, either from northern Ontario or eastern Ontario. We also represent the aspects of industry across the province. For example, we have had the past president of the Consumers' Association of Canada, Barbara Shand. We have had various members. We have Mr. Grant, who is with us today, who represents the processing industry. He was the former operations manager at Gay Lea. Then we have had a broad representation of the farm community. We attempt to represent not only the farming industry per se but all the related agricultural industries, from the processing to the retailing aspects.

Our mandate, as has been indicated in the papers, is twofold. Primarily, we are an advisory council to the minister personally and we report with respect to short-term or advisory items regarding problems that are current, based on his recommendations to us. Occasionally, we deal with a matter in haste and report back to him on a current problem that is before him. But our primary mandate is long term, to advise the minister on the long-term aspects of agriculture, to deal with problems that are not often dealt with in the exigencies of the hour and problems that hitherto have possibly gone unexamined. We try to address the future. We try to address the long term. Some of our reports have dealt with those matters and some of our current work deals with them.

Our structure is very simple. We have an office at the Ministry of Agriculture and Food building on Bay Street. We are on the sixth floor. You are welcome to come to our office at any time. In that office, we have three members on our permanent staff, a stenographer, a receptionist and an administrator, Mrs. Ann Moore, who is with us today, the very attractive lady at the back on my left. She is very talented. She has had a lot of experience in organization and, above all, she is a very talented writer, a great asset to our organization.

Beside her is Mr. Veera, who came to us from the Ontario Federation of Agriculture where he was a researcher for many years. He is the director of research for us and is highly respected in the agricultural community. He deals a great deal at all government levels and is a great asset to us from that point of view.

Our role, briefly, is to act as a communication link between the minister and the community and to interface with the various industries. Our members represent a broad cross-section of the province. They are in day-to-day contact with farmers and farm problems and are in a position to relate that information back to the minister very quickly.

Our secondary role is to deal with short-term advisory matters and we have sat on many matters. We have had quite a considerable input in the Ontario family farm interest rate reduction program, to use one example, and in debt review, etc. Many of our members have a lot of experience in these various areas.



Our role has also been to deal with long-term matters. In this respect, our major study on family farm income in Ontario, as far as we have been able to ascertain, is the only study in that area in North America. That study has been widely circulated, not only to all provinces in Canada but also to most of the states in the United States. They have written to us and asked for copies and we have sent them out.

We are now presently studying the problems with respect to quotas in the supply management field in the province, and we are looking at those from the point of view of the price of quota, the transferability of quota and the entry barriers that are faced by young farmers with respect to quotas. That report is under way now and we will probably be reporting on that to the minister within the next three to six months.

With respect to our accomplishments, we have many completed reports. Some of them are available with us today. We have completed studies dealing with section 178 of the Bank Act. We have completed recommendations and briefs relating to the new family farm law and the implications of that law as it affects farmers. I have referred as well to our family farm income study. We have done work with respect to severances and agrimortgages and many other areas. I will not relate them all, but they are available if your members wish to examine them more closely.

Basically, that has been the type of work we have done. Our general membership normally consists of 12 members. That is a circulating membership for a three-year term and we presently have 10 appointed members. We meet once a month on a regular basis, occasionally as subcommittees and more frequently when called upon to deal with particular problems.

That is a brief summary of our function and role and a descriptive review of the Agricultural Council of Ontario. If you have any questions, we would be happy to answer them. We have other members here today and we would like them to participate in the discussions as well.

Mr. Chairman: Thank you, Mr. O'Brien. You will note the coffee has arrived. We got started before we had coffee this time. Please feel free to help yourselves.

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Mr. D. W. Smith: I too would like to welcome this group here today. I feel the council members have played an important part in the farming community. I believe they understand what it is really like on the farm--life in the real world, I guess. I just want to ask a few questions.

First, in your discussions with different groups and different government leaders, do you really feel that the farming community as we know it today and maybe as it was in the last 15 years is going to remain much the same or do you see some tremendous changes in the next few years, from what you are able to see and hear out there? I would like to hear your comments on that.

Mr. O'Brien: We have often discussed and considered it and we have made recommendations to the minister. As our next project, we may be studying the long-term strategy of agriculture in the province and your question relates exactly to that.

I can confirm that the greatest question being asked by farmers right

now everywhere in rural Ontario is, is there any future in agriculture? There is certainly great concern and great frustration as to exactly in which direction agriculture should turn. We do not presume to have all the answers and I do not think anyone has all the answers with respect to this problem, but certainly we have reached a turning point. I am speaking possibly more for myself than for all the members of the council when I answer that question of yours. The members of the council have discussed this collectively. We have reached a turning point where there seems to be ample production of agricultural commodities.

For centuries we have worked very hard to increase our production. With the great assistance of modern technology, the impact has been incredible. For the long-term we have clearly achieved a level of production that will more than meet our needs and possibly the needs of the export market. Possibly this is a turning point. Up to this point in agriculture, we have focused on increased production. It now appears that we may have to look at other things and explore our alternative markets more clearly and look at methods of ensuring farm income other than just the concept of increasing production and therefore increasing gross farm incomes from that point of view.

Mr. D. W. Smith: With some of the announcements or headlines we have been seeing in the papers the past few weeks--and I am getting a number of calls from my own constituents on their quotas, particularly with respect to chickens and a few on milk quotas--it came out fairly strongly, I believe in last week's Globe and Mail, that they feel the agricultural quotas or programs set up now could be on the bargaining table of free trade. In your discussions with the people you meet, do you see this as a reality and should these producers who have quotas now be quite concerned? Do you have any comments on that?

Mr. O'Brien: The agricultural community in this province has made it very clear that it does not want our supply management system on the bargaining table and it has been assured from Ottawa that it will not be. However, those assurances have not always satisfied the farm community, I suppose for good reason, because every once in a while some American commentator involved in the negotiations indicates that supply management is on the table.

I can answer your question by saying there is a great deal of apprehension and a great deal of concern in rural Ontario. Those involved in supply management clearly do not want supply management to be on the table. They question the whole process of the free trade talks from the point of view of agriculture.

That question is always in the back of their minds. In particular, I am talking of the farmers of Ontario. The farmers of Ontario view the trade talks, I suppose, in a different light from those in western Canada, but in any event, in Ontario we have an excellent market for our products and there is concern that in any free trade talks we will be surrendering a portion of that market to other producers.

Dr. Tanner: I guess the thing that you have to remember about free trade is that if you look at the American situation, there are more subsidies going on there than there are here. Once you sit down to bargain on free trade, they have to come clean on a lot more than we do. They may talk about quotas here, but in actual fact they stand to lose a lot more in the long run than we do, if they decide to look at it. I think there are enough things that



they have in their closet that either they will not want to raise the issue here or else we will bargain to keep quotas here for something they keep there.

Mr. D. W. Smith: I know the problem I have as a member is trying to convince the urban people that they should be able to buy their consumer goods, I guess we will call them, at the same price as they may see them advertised in a border city. At the conventions--I do not know if it was last week, but some time in February anyway because there were quite a few conventions going on--we got into some great discussions in rooms, and people who are more urban-oriented said they should be able to buy their food from the cheapest source possible. I try to keep coming back by saying they are really not looking past the end of their nose because there is not, I believe, a commodity that is produced in Canada that cannot be produced cheaper somewhere else, but if you do not protect your domestic market, then eventually you are at the mercy of wherever those products come from.

I wonder if you as a group are able to get that message out more clearly or can advertise it better than what we have been doing in the past, because there are a tremendous number of people who still feel they should buy it in the cheapest place they can get it and everything will be fine. I do not believe that for one moment, but I just wonder how you as a group can better sell that to the people of Ontario and the people of Canada in general. Have you any good answers for those types of questions?

Mr. O'Brien: I think the answer relates to what I have alluded to as the fact that possibly our next study will be long-term strategy. There is no question that with regard to the hackneyed phrase, the level-playing field, farmers in Ontario are as competitive as farmers anywhere, if all the factors are equal. The difficulty in the game is to fine-tune all the factors. If Ontario farmers are required to operate on the basis of the cost of Canadian inputs, then they are required to demand a Canadian price for their product. They cannot operate in the Canadian milieu in terms of cost structure and sell their product at the lowest price established anywhere else in the world, and that has been the case with respect to some of the farm products.

This is a question that requires careful study. All the factors have to be weighed. There are no easy answers and there are no slogans that will answer such a complex economic problem, but the council, from the point of view of its mandate and its challenge, is prepared to deal with that and try to assess all the factors and indicate the consequences to the Canadian economy if our commitment is to sacrifice the agricultural community in the interest of the lowest consumer price. That is a philosophy and that is a policy. That is an approach to the industry.

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The opposite of that, obviously, is very clear. The European Community has a philosophy of maintaining agriculture and maintaining self-sufficiency in agriculture at a certain cost. I think those of us in North America who examine the European picture feel that probably they overdo it, but Japan, a very successful contemporary economy, has exactly the same policy. In fact, they maintain a prescribed level of self-sufficiency at 70 per cent. Most major industrial countries, with the exception of the United States, although they do it indirectly as Dr. Tanner has said, have such a policy. Canadians have to decide what the policy is going to be with respect to the maintenance of agricultural self-sufficiency.

There has to be a tradeoff. In particular, western Canada is very dependent on an export market, but we in Ontario have to realize that we are not basically dependent on an export market in most of our commodities. In some, such as pork, we are, but in most commodities we are not. I think there is going to have to be a very careful evaluation of our philosophy in agriculture that will support a policy that determines whether we maintain a viable agricultural industry in the province.

Mr. D. W. Smith: I think you mentioned in your opening remarks something about the Farm Debt Review Board. I wonder if you can comment further on that. Is it really solving most of the problems you are dealing with? Have you enough authority with the terms of reference that the Farm Debt Review Board was given? Roughly, how is it going with the farmers who are involved with it? Is it working out in the best interests of farm credit, the banks and the farmer? I want to hear more comments on that.

Mr. O'Brien: At this point, I am going to call on Peter Epp. Peter is out in the field, dealing with these matters daily. I think he can bring first-hand information to this committee that would be very valuable. Fred Lewis may wish to add something because he is doing the same thing.

Mr. P. Epp: I would perhaps state that 50 per cent of the cases we review are dealt with satisfactorily, depending on which side of the coin you are looking at. It is a serious situation out there. At times, we feel we do not have the funds that are needed to keep some of these farms. We have had problems at the beginning because of certain clarification regarding the Farm Credit Corp. and we have more or less overcome those hurdles.

At present, there are some cases that are not finalized or being dealt with to the extent that they should be, maybe the ones where we may have some concerns with the provincial government's guarantee through the Ontario farm adjustment assistance program. I understand some considerations are being given there. It is very hard to sit here and state that it is satisfactory when you strip a man of his livelihood, when you strip him down to perhaps a quarter of the operation he was used to, after he has spent his lifetime on a farm; but given the mandate and the tools we are working with, I would have to state that many of the people are satisfied and some will never be satisfied because of the situation that has arisen in the countryside.

Mr. D. W. Smith: Since you have become a member of this board, do you find there are more problems than you thought or less problems, or how do you see it from what you really thought before you got on?

Mr. P. Epp: No. There are more problems than what I thought, and I will speak as Peter Epp here. It is far more serious than I was led to believe by the press people perhaps. It is very hard not to get emotionally involved in some of these cases when you see a chap of 32 or 38 with a family in financial difficulty. If there is any age group we are really hoping to keep in the farming business, because we feel we need them down the road, it is that age group. Emotionally, it is harder on 55-year-old or 60-year-old people. As I say, unless we are prepared to really put an enormous amount of funds in there to keep them on the farm, it is pretty hard.

I would say as far as dealing with them, they are dealt with fairly according to the mandate and the legislation. A number of the banks or, I should say, most of the banks, do take quite a kicking in the system.



Mr. D. W. Smith: When you say "kicking," you are saying there are some write-downs going on?

Mr. P. Epp: Yes, a tremendous amount of write-downs.

Mr. D. W. Smith: Did you have any comments you wanted to make too, Mr. Lewis?

Mr. Lewis: Yes.

To answer Mr. Smith's question more directly as to whether we have enough authority or ample authority to deal with all situations, we deal primarily with two sections of the act: section 16, a farmer in financial difficulty, and section 20, a farmer in insolvency. By and large, we are dealing with the people who fall under section 20. Personally, I have maybe 25 cases to deal with. In all cases, zero equity is high.

We do not have that much time, as Mr. Epp alluded to, because of the backlog of cases and being late getting started. We are trying to correct in 120 days the problems that started five years ago. It is difficult to get the farmer, his creditors and the two major creditors, usually the bank and the Farm Credit Corp., together and to get this problem solved in the time period that is allotted to us. We do go beyond that. Personally, when we find ourselves at the end of the stay period--the stay period means the proceedings--I will move a person into a section 16 so we can continue to negotiate.

Out of the 25 or 26 cases I have, 23 or 24 are working quite well. The system is working. We are putting together two or three large creditors along with the farmer who maybe have not got along all that well in the past 12 months. As Mr. Epp also mentioned, we are asking lenders to reduce their mortgages, to write off at least the interest. In most cases, we are not asking them to write down principal. We are trying to do this so a person at least is brought up to zero equity. My approach then to the banks--and I do not need extra authority to do this--is, "If we bring this person up to a zero equity position and he has a positive cash flow, will you renew an operating loan?" In most cases, the banks are co-operating.

By and large, I think the system is working. There is not any system that does not have faults. There is not any system that will work 100 per cent in all cases. I find it is working. I wish at times I had more authority, but mainly I would like more time.

As well, Mr. Epp mentioned the problem we have with the Ontario family farm interest rate reduction grants. That is a problem I think will be resolved. It is difficult. When the government guaranteed the loans to the bank, it was not foreseen that complete liquidation of the farming operations would have to happen to resolve the financial problem they had. These are some of the things they will have to work out.

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Mr. D. W. Smith: That was more on the farm operating credit assistance program and the Ontario farm adjustment assistance program, not OFFIRR, because there are no conditions on that.

Mr. Lewis: FOCAP, yes.

Mr. J. M. Johnson: Just to follow up, while we are on that program, you suggest, Mr. Lewis, that you propose to the banks that in some cases they write down the loans. Does the government become involved in guaranteeing the bank any return, or is it strictly a loss to the bank?

Mr. Lewis: Further than FOCAP?

Mr. J. M. Johnson: Yes.

Mr. Lewis: I believe there is still provision for the individual farmer to go back on the program. We are not advising that. If we can get an individual up to zero equity, we cannot take him beyond zero equity or he would sell out the next day.

Mr. J. M. Johnson: No, Mr. Lewis. The point I am trying to make is that if we have a program in place that suggests lenders will not receive their full return, do we create another problem down the road for farmers trying to obtain credit?

Mr. Lewis: This is a problem. Personally, my bank is asking me the same question. I am a borrower. It is saying to me, "When you are around the country asking banks to reduce their mortgages or security, how do you feel when you renew your operating loans with us, but you have to pay the full interest plus whatever over and above prime?" My answer to that is, "It is in my best interest." I think it is in the best interest of rural Ontario to get some of these desperate problems that we have out there behind us.

Mr. J. M. Johnson: I agree totally, but I am wondering if the onus is in the right place, if it should not be an onus that the government should pick up and spread across the whole population in the province rather than burdening a few individuals, in this instance the banks. I am not in any way supporting the banking institutions, but I am concerned about the future availability of credit to other farmers because of this program.

Mr. Lewis: You are exactly right. What we are doing--and I am sure Peter and the others on the Farm Debt Review Board share this view and are doing the same thing--if the bank is taking a 30 per cent write-down, the Farm Credit Corp. is doing the same or maybe more and other creditors are taking another portion of write-down. What has happened in a lot of cases is that we have good farmers, good operators, who have just lost their equity, primarily in the tobacco areas. These people were wealthy people in 1981 and 1982 and today they have a minus equity. They are good farmers, good people, who take care of their properties. They are good people in the community and the municipality.

If we can get those people up to zero equity or maybe a little more, I have also found that banks, the Farm Credit Corp. and other lenders--but primarily banks and the government--will even let this position get so there is some equity there. They are now saying they will take a residual mortgage for that, so it is set over here with no interest or principal payments and is forgiven some day in the future. There is a lot of co-operation, more than just by banks. Governments at all levels are co-operating.

Mr. J. M. Johnson: What is the long-term outcome of this if a farmer receives some assistance and the debt is written off? Is there any possibility that at some time in the future he can get back into farming without having this over his head? Well, it will not be over his head but the experience



certainly will be. Will the banks or whatever lending institutions hold this against him, or is that too far in the future?

Mr. Lewis: It could be too far in the future. What we try to do is have a positive cash flow and ask them to monitor the situation very closely and have good accountants that help the farmer. Farmers have come a long way in the last few years with regard to their own business transactions and what they are doing themselves.

Suppose corn did go to \$6 a bushel in the next two years; it would make farming far more profitable. Is a bank that has taken the rate down--I think this refers to your question--going to say: "Your operation is very profitable. We want some of that back"? That could be a problem, but I do not see that it will.

Mr. J. M. Johnson: I am not so concerned with their asking for something back after the initial write-off; what I was more concerned about was whether the credit risk would be acceptable to any lending institution after going through this experience.

Mr. Lewis: The banks and credit unions--we have to talk about credit unions as well as banks; we deal with them a lot--are co-operating. They realize that they have to keep the people on the land and keep the people in rural communities.

I do not think--this is in answer to Mr. Smith's problem as well--that we are going to lose much of our labour force in agriculture; it will be reduced but not to the extent a lot of people think. In other words, the crops are going to be planted and the livestock is going to be there. The work may be done by different people, but it will be done by the same number of people; so I do not think we are going to lose a lot of our labour force.

Mr. J. M. Johnson: I do not want to disagree with you, but I just signed 50 letters today to people working for MacDonald tobacco company in Guelph who are quite concerned about their future in the tobacco industry. There will be some offset.

Mr. Lewis: There will be horizontal shifts.

Mr. Chairman: Before you get off that topic, Mr. Johnson, would you allow Mr. Leluk to ask a supplementary?

Mr. J. M. Johnson: Sure.

Mr. Leluk: It is just a short question. We were talking about the labour force and I think you said you did not see much of a reduction in the labour force. In the years I have been here, we have heard from your council and from other agricultural people that there was a concern in family farming, for example, that some of the younger people were leaving the farms and going into other jobs in the urban centres. Has this been a growing factor or has it stabilized? Do you see this as a problem?

I take it from your comment that you do not see this as a problem or a continuing problem that more and more young people from family farms are leaving and will not be there to take up farming after their parents have retired from the farming industry. Is this a problem?

Mr. Lewis: I hope you did not misunderstand me. Certainly a lot of farmers will be trying to get off-farm income; as a result, they will have to

get off-farm jobs. What I mean is that in order to produce the products we have coming from farms now, the farmers will still be there. By and large, the same labour force will be there, reduced somewhat, but not to the extent that a lot of people think it will be reduced.

There are a lot of younger people leaving rural Ontario to take other jobs, but there are still a lot of farmers whose sons are staying on the farms with off-farm jobs with the idea that eventually they will be there to take over the farms.

Mr. J. M. Johnson: On that very point, that is one of my major concerns. We have the farmers in transition program whereby we assist farmers to find other jobs if they are desperate. The point I have always made is that we should keep the farmer on the farm, allow him to have an off-farm job but still maintain the farm home, with a cash crop or whatever, to keep the farm viable, even by renting, but he should not have to leave the farm. In other words, if he can obtain a job in industry or commerce in a neighbouring municipality, would that not be better than forcing him to go to the city to find employment?

Mr. Lewis: In all cases, we are trying to do this.

Mr. J. M. Johnson: Then why do we not encourage industrial growth into rural Ontario? In the city of Toronto, we have problems with traffic congestion, lack of living accommodation and pollution at the beaches. These industries, instead of coming to Toronto, would be far better going into rural Ontario, especially western Ontario and places where the farmers are hurting and need off-farm jobs. If a farmer could commute 10, 15 or 20 miles to a good-paying job, he might keep his farm viable. If not today, certainly five or 10 years from now, he could possibly get back into farming, but if he leaves it and has to sell his home and move out, chances are he will never come back.

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Mr. Lewis: This is true. When I was a FIT adviser, if a farmer wanted to keep his home and we reduced his operation to that farm and the house and he needed off-farm income, I found it a lot easier to find a job for a farmer than I ever thought was the case. Every time I went to a ready-mix plant, a construction site or whatever, those people hired these farmers practically without exception; they would hire them before anyone else.

Mr. Ashe: They knew they were good workers.

Mr. Lewis: Right. One person who had a ready-mix plant phoned me and asked me, "Do you have any more of these fellows?" He said: "If you send one of them to a subdivision and he gets stuck, he knows where to hook the chain, and he will walk half a mile to get a bulldozer to pull him out. Not only that, but they also do not mind working hours." I think we have to look at that and wherever possible leave that person in the community, in his house, on his farm and try to help out by getting him off-farm work.

Mr. P. Epp: I would like to add to what Mr. Lewis stated. In the 15 cases I have handled, 12 of those people were not relocated; they stayed right on the farm through one form or another. We were able to sever off a lot and the house and they would be able to work with their sons on the farm. They would still be able to work in the countryside; it does not mean we are moving



them off the farms and into the cities. That pattern is not there yet at this point in time.

Mr. J. M. Johnson: There is a lot of disagreement about being able to sever off a lot. I support that concept, but does your minister?

Mr. P. Epp: So far, any attempts we have made to do this very thing have not been objected to, in some of the cases.

Mr. J. M. Johnson: I would like to follow up on that because that flows into the next series of questions I have. Possibly at one time the severance policy had to be extremely tough. Someone made the statement--I think it was you, Mr. O'Brien--that we have ample production of agricultural commodities, both for the domestic and export markets. Maybe we should take a look at our severance and land use policies and start being a little more flexible and allowing things like this to happen.

We have to maintain the viability of the townships and the small villages and towns that depend on the farming community. We just cannot lose half the farmers without hurting the communities. We need to be flexible to allow some industrial expansion and some commercial ventures in that part of the country to allow the people to obtain jobs and for the tax assessment to keep the communities viable. We cannot hang on a policy that says there will not be any severances for a hundred reasons. Is that coming?

Mr. O'Brien: If I may, Mr. Johnson, I want to comment on one of your previous questions, and then I will get to the severance matter.

I think it is very important for everyone to appreciate the fact that the lenders in the debt review matters, both the farm credit corporation and the financial institutions, are delighted to have this program in place because they had these problem cases on their hands, and they are the major losers if there is a complete collapse of farm values and the values of land and equipment.

My experience has been that they are very happy to have people like Fred Lewis and Peter Epp go into these situations and assist farmers who are really over their heads. That review has been very positive for lenders. It has helped to stabilize their securities. After all, the farm is their security. They are quite positive in this process. The only thing they ask, and I think everyone is aware of this, is that the recommendations be voluntary, that they have a chance to say yes or no rather than have a legislated depreciation of their security. That is the point.

To be fair to the lenders--and I am not representing lenders any more than you are in this cause--they have to turn around to their depositors and say, "No; any agreements we made to write down our security has been voluntary." As long as it is on a voluntary basis, they are happy. I think they have participated, as Peter and Fred have said, in very substantial write-downs, but in the long term it has been in their own interest. I think that is something we should all recognize on that program.

Dealing with the severance matter, we have studied that. We have given a paper to the minister dealing with severances. This relates to your previous question. When we talk about depopulation of rural areas, we have to bear in mind that there are different answers to that depending on what part of the country you are in as well. In areas such as northern Ontario, northwestern Ontario and eastern Ontario, where you have a lot more marginal land, I think

you have a greater depopulation of rural areas. That is not as critical for the farm economy because they are not as productive as central Ontario and western and southwestern Ontario, but that is where the numbers leaving agriculture show up a little more significantly.

Although I do not think we have statistics that substantiate this, what I am apprehensive about is the number of farmers who take off-farm jobs and are really supporting themselves with off-farm income, whether or not their children are prepared to stay on the farm and do the same. Their children are being raised with a different outlook on agriculture. I think the psychological outlook on agriculture now is critical. I understand the applications for agricultural courses in North America--and I am talking about the whole of continental North America, the United States as well as Canada--are down by about 40 per cent. I think that is very significant, dealing with the matter you mentioned.

Going back briefly to severances, we have made a proposal to the ministry that gives more flexibility. Our proposal draws attention to existing legislation; it is not requiring any changes. It points out, and I suggest you gentlemen look at this, that section 50 and section 52 of the existing Planning Act allow for subdivision agreements to be written up with the municipalities if severances are given that can protect for the future their rights to farm, etc. It is an interesting area. It is a recommendation we have given to the minister that permits an alternative approach to the existing problem. It does not require legislation and may, in some parts of the province, free up the severance issue. Again, I think we also have to keep in mind, and we certainly found this out in our travels, that the approaches to severance problems are different in different parts of the province; they often relate to the economic hardship of an area.

Mr. J. M. Johnson: I accept that. I am not sure we can just say that some formerly viable agricultural communities are not in line or need some type of lenient approach in the future. A small township up towards my home town, Arthur township, was able to attract two industries just this past year and has a possibility of a third one. There will be 200 to 300 employees in an agricultural community just several miles from Arthur, in Mount Forest. That township declined dramatically over the last 10 or 15 years. This is a tremendous boost for them. They will use up maybe 100 to 150 acres of land that perhaps would be class 3. I think that is a good tradeoff.

On the topic of the farmers being able to get back on the farm, one of the greatest detriments to that is the US farm bill and the heavy subsidization programs of the European Community. I guess the future of our farmers very much depends on what happens to those two programs over the next several years. Is there any possibility they can sustain that type of subsidization program?

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Mr. O'Brien: We are all watching the American Congress right now. As you know, it has changed significantly since the November elections. The present administration was very much committed to the Food Security Act, or the farm bill, and the new Congress is not. We may find some substantial changes. I have watched the news daily coming out of the US and there is a very great debate there, but essentially whatever happens, it is not going to radically change the situation tomorrow in terms of the impact on Canada. I think we have to respond to it.



Peter was telling us this morning, and this is by way of illustration, that a boatload of meat from Nicaragua had landed in Canada, I presume in Montreal; that it was substandard meat, as is and has been the case in terms of what would be allowed in Canada in terms of our slaughtering process--I think this was true also of the European meat we got from Ireland and other points earlier--and that it was brought on a Soviet vessel, and I understand the cost of that transportation was very insignificant in terms of the regular market values for transportation.

The Canadian farmer is faced there with two factors. That arrangement was negotiated by External Affairs in Canada; so it is really almost out of the marketplace. You have subsidized transportation by the Soviet government of that vessel. It is allowed into Canada at way below the market cost of the meat, and it is not even up to Canadian standards. Canadians have to produce their meat based on input costs that require certain standards. When something like this happens, there is no way the market influences are dictating in that case. Canadian farmers have frequently said they have to compete with market forces on an international scale, but there is a very great doubt that the market forces do prevail on an international scale. The Europeans are subsidizing \$40 billion annually and the Americans are subsidizing at least \$25 billion annually. That is to say nothing of India, Japan and other countries with the same kinds of policies in place. As a result, it is so distorted that, to be perfectly practical, we have to come up with policies that deal with that reality. As I say, slogans are not enough.

There is an interesting aspect of this. I would like to call upon Jon Grant, who has spoken out a number of times on the free trade implications not only for agriculture but also for the processing industry in this country. I think Jon will have some very interesting comments to make with respect to the impact of free trade on our processing industry.

Mr. Grant: Let me start from a perspective that we are already talking about this morning, which is essentially that if we look at commodity costs around the world, and we are dealing in the focus with Ontario, is that those cost estimates over the next number of years are not going to change; if anything, barring some major international catastrophe, you are going to stay about the same or go lower.

If you look at the prospects down the road for improvement in cash crop prices or any other agricultural products, I think we are likely wishing for something that is virtually impossible. As long as what I call the worldwide price war is in effect--and essentially that is the Americans, the European Community, to some degree the South Americans who are looking for hard currencies, and the Australians--unless those fundamentals change, Canada is really caught in a very difficult position.

Given the Ontario situation, where other than in a few products we are not essentially an exporter into other countries, we do have, in a sense, a very strong and a very important agricultural community. Let me just come back to a couple of questions that were asked before in the vein, are we leading in the direction of trying to protect the family farmer and the farmer on the land? Let me answer very quickly and say I think we have to, because I do not think we really have any choice.

Essentially, our whole agricultural-industrial complex in this province is very much tied to the towns and villages across the province and the people who work in those towns and villages supplying the farm community as well. Because if you do, and the fundamentals do change--and they are going to

change eventually because something is going to happen in the world that is going to fundamentally change the balance of agricultural commodities and then we are going to find ourselves again in another situation in which products are in short supply and prices are going up--you have to cushion the troughs. This is the biggest task that we have here and the council is addressing it; how do you try to make sure that happens?

As far as free trade is concerned, very quickly, I think this is going to continue, in my judgement anyway, to be a very much on-the-table situation. That is, agricultural policy. As you know, the Americans, with their much more protectionist environment down there, are really concerned about any kind of a free trade discussion or arrangement with Canada that does not include some tradeoffs in agriculture. I think we are in an extremely difficult position. Just take wheat, and this is on a national basis, although we are a large wheat producer, our share of the world wheat market is about 10 per cent. That is, we are not a big player in that business. So when you are not a big player in a market, you do not have the kind of leverage that you would if you were the Americans or the European Community.

I think this is a huge risk. This country and this province have to be protected in agriculture in some form or fashion. I think the consumers are quite prepared, providing that they understand the realities of the situation--and this is where we get back to the consumer communication--to accept that we are a northern country and we cannot grow tomatoes year round. The fact is that if we are going to maintain an agricultural environment, then there is a premium to be paid for that. Essentially, that is my view.

The farm income study went a long way in terms of some of the press we got from the council in getting across some of those philosophies and concepts. That is really where I am coming from.

Mr. J. M. Johnson: Possibly you can answer a couple of questions I have dealing with chemicals, herbicides and pesticides. Pollution Probe issued what it called its winter 1987 bulletin and it said "Ontario apples and other fruit samples contain an incredible amount of dioxins, 37 times more than the acceptable annual intake;" milk samples 19 times; eggs and meat nine times higher.

The average person reading that would be inclined to think, "We better buy fruit that is imported." I would be very tempted to say that anything we import is going to have a lot higher concentrations of practically any chemicals than Ontario, but a consumer reading this report would be hesitant to buy Ontario apples.

Mr. Grant: Yes, I would really have to check a source like that. I would tend to agree with you off the top, because when you force feed--and essentially that happens in California with a lot of agricultural products--to get as many crops off on an annual basis, you have to be injecting those kinds of chemical ingredients. It is just part of the process. In fact, I find that very surprising.

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Mr. J. M. Johnson: How does the agricultural community deal with issues such as this to get its message across? I had a constituent tell me that a teacher brought a bunch of children out to an apple orchard and asked the owner if he could show the children the poison he sprays on his trees.



Mr. Grant: That is pretty difficult. If that is a real issue, and obviously that is what you are suggesting, it is getting out and it has been put out by Pollution Probe, then I think we have to find some way to counteract that.

Mr. J. M. Johnson: Pollution Probe was taking a shot at garbage incinerators, so this is the leadoff regarding why it is getting into it, but at the same time it distorts a picture. As I understand it, in Ontario we have one of the best controlled systems in the world as far as chemicals are concerned.

Mr. Grant: We do.

Mr. J. M. Johnson: Yet the average person reading that would not think so.

The next step to that goes to the sanitary landfill sites versus any of the waste facilities. Do you people have any position on using land for waste or is there a better method of disposal?

Mr. Grant: Do you want to jump in on that one?

Mr. O'Brien: I must confess we have not really studied that matter. We have a number of things on our table and we have not taken a position. The council has not been asked to address that matter. I am aware of the fact that it is a big issue in many parts of rural Ontario. It is a big issue in my home area at the present time; Renfrew county. But I must confess we have not addressed that matter.

I might say that is the type of thing that this council, though, is established to address, as it might the chemical issue. I think you have raised a very interesting point. Mr. Grant has said that there may be some major unknown factor that will change the future of agriculture and possibly it might be the reluctance of the consumer to permit the use of chemicals in various forms. Possibly we have an advantage in Canada and possibly this should be studied.

We can only make the consumer aware if the information is available and the information requires study. That is the kind of thing we do and I would suggest it is very interesting. We have one advantage. I read a report recently on Brazil and it is the other side, it is not intensive farming down there, but because of climate, because it has no frost, it requires much more in the way of sprays to control the insects in a tropical climate. We in Canada have the advantage of the freeze-up in the winter that naturally looks after a lot of the insects. I do not think the public at large understands that.

I think California requires many more sprays. You have read of the Mediterranean flies and other insects that normally do not come north because of our weather. Many of our consumers are unaware of the fact that possibly our products are much safer for this reason. But, obviously, that report you referred to indicates that probably the Canadian products are the problem.

The Vice-Chairman: Mr. Lewis, do you wish to add a comment?

Mr. Lewis: Yes. Just to take that one step further on our products here being as free of insects and things like that, in Ontario, with corn, we are relatively free of insects--in fact, we are free. There is not a state,

with the exception I believe of Wisconsin, that is free of insects in its corn because of the carryover it has every year. Our grain situation in Ontario is used up. We have very little carryover. As a result of that, we do not have the insect problem. If all our grains are imported, we would import those diseases as well as insects.

It is the same with poultry. Poultry that is imported into this province carries a lot higher level of chlorine that was used in the washing and cleaning of it, because in the United States the level of disinfectant that is used in processing is much higher than what we use here. As Mr. Smith mentioned about our marketing boards and the supply management system here, because we gear that production to the market, we put up a much better product for the consumer in Ontario.

Mr. J. M. Johnson: Thank you, Mr. Lewis. I intend to follow up on this. On Thursday, we are meeting with the Pesticides Advisory Committee and I have several questions pertaining to this.

I wonder if we are remiss in not taking advantage of the good agriculture practices we have in this province and telling our consumers about our food versus imported food. I just came back from Mexico a few weeks ago. Every time you took a look at a chicken or anything, you hesitated to eat it. With the exception of fish, it was rather dicey. There was certainly no comparison with our meat. We import all kinds of fruits and vegetables from Central America and South America and very few of them come up to our standards.

Why do we not tell the people of this province that Ontario-grown food is safer and better and give them a few details? In the food stores and supermarkets, if Ontario produce really meant that people could take a look at a label that said "Ontario-grown food" and if it meant that, instead of Ontario standards, would it not make a lot of difference? I have a feeling the vast majority of people would buy Ontario-grown food if they really knew it was Ontario-grown. Is that something you could bring to the attention of the minister or someone in the ministry?

Mr. O'Brien: We will address that issue in our council meetings. It underlines the fact that the consumer is much more health-conscious and safety-conscious when purchasing food than ever before. Possibly, it is the time to focus on that issue. We will certainly discuss that matter.

Mr. J. M. Johnson: I have one last question. In fairness, this should go to Dr. Tanner.

This question is with regard to your gravel quarry in Puslinch township. While you do not own it personally, the college does. It has been trying to develop it and creating a lot of havoc in the township. I am not sure how to ask the question. It is a problem for the people in the township to think that the Ontario Agricultural College, which should be the leader in preserving farm land, is going to use up X acres to create one of the largest gravel quarries in this province.

Mr. Ashe: I hope it is high-quality gravel.

Mr. J. M. Johnson: Have you any comments? If it creates any problem, I do not want to--

The Vice-Chairman: Mr. Johnson, if I may interrupt? I am not so sure we are onto an issue that involves--perhaps it does peripherally so I am going to allow it. I am sorry for interrupting.



Mr. J. M. Johnson: Answer it in your own way. I do not want to put the university--

Dr. Tanner: I do not speak for the University of Guelph.

The Vice-Chairman: I realize that.

Dr. Tanner: I am as concerned about good farm land as anybody, but in actual fact, I think the loss of that particular land is a red herring. I do not think that is the issue that is really there; that is the issue that is being used. They say that is class 2 land and in actual fact it is class 2 with a limitation because of the droughtiness of the soil, the depth of the surface layers of the soil. In a year like last year, when we had a lot of moisture, that land will perform very well and it did last year. In most years, that land will not perform that well. The loss of that land in terms of the context of this province is really nothing.

You have to admit that, within that particular township, they do not have much better land than that. There is probably very little class 1, if any, and the class 2 land they have does have limitations. If you look at the value of the resource to the province, potentially it has greater value to the province as a gravel pit.

Look at the land that was lost with Highway 401. A lot of that in southern Ontario was tremendous land, really good farm land. But if you look at the long-term, continuing benefit to the province of putting Highway 401 in, it is incredibly more than the value of the land would be there.

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It was poorly handled by the university from a public relations standpoint. The university learned a lot from that--and still could--that could have application in other areas of the province. The university had good intentions about restoring that land, with a lake and probably a high-class subdivision around the lake that would return more tax base to the province over time than the land for farming might have. It was pretty poor public relations at the time. To me personally, the loss of the land is a red herring. There are other issues involved.

Mr. J. M. Johnson: The point that you made about it not being very good land--it is still classed as class 2--I have hundreds of constituents who use that same argument, and with justification. Possibly we should be taking a look at our land inventory classification, because a lot of people figure it is not a true interpretation of the worth of the land.

Dr. Tanner: It is unfortunate that it arose now, because the department of land resource science at the University of Guelph has been working for several years at getting a more meaningful classification for land. As a matter of fact, under its new classification of land--the study is not completed and the information is not accepted at this stage of the game--that type of land would be perceived as being of less value than under the current classification. That is in the works, but it is not there now. Now would not be the time to release it either, because it might be perceived as the university trying to defend a decision that was made there. In actual fact, the ongoing research, the basis upon which that classification will be made, is work that has been going on for the past several years. It is not something that has happened in the last year.

Mr. J. M. Johnson: When you say it is not an appropriate time to release it now, is this not true of the need for gravel? Is there that much urgent need for gravel at this time that you have to open that pit?

Dr. Tanner: I really do not know.

Mr. J. M. Johnson: If the resource is there, it will be there 10 years from now as well.

Dr. Tanner: I will answer that in two ways. I know about five or six years ago when I went on the board of governors at the university, one of the first meetings I attended was a meeting of the property and planning committee where they brought in three gravel pit operators. Five years ago, we were advised that was not a good time. I am not on the board of governors any more, but I assume they had advice from gravel pit people before they made the decision to proceed at this stage. I presume they did.

Mr. D. R. Cooke: I would like to revert to some of the probing we heard this morning on the free trade issue and the negotiations with the United States. I am getting a feeling that the council is interested in this in so far as it is conceivable that the United States is prepared to reduce its trade barriers concerning Canada and its subsidy programs. It sounds as if the negotiators are saying that on the surface. Are you seriously expecting anything to occur in that regard?

Mr. O'Brien: We are watching it with apprehension. We are looking at several of those aspects. I am talking now as representing Ontario, not the whole of Canada. Speaking for Ontario, we are apprehensive. This matter has to be studied in depth. We do not want to come to the issue with preconceptions. You have to have an open mind.

We are concerned that possibly the delicacy of the supply management system is not fully understood. As Mr. Grant has said, with the exception of hog exports, our Ontario market is something to be guarded from the point of view of the Ontario farmer. It is often not known that in recent years we developed a deficit in dollars and cents in beef of \$100 million or thereabouts in Ontario. Those statistics are a couple of years old now because we do not have more recent ones. In dollars and cents, that deficit is there. We have slowly surrendered our market in beef to producers outside our province. That seems to be a fact most people are unaware of. When we get these statistics on the table, people are often surprised. If everyone is knowledgeable about and aware of the implications, then I am not afraid to have them negotiate, but I am fearful that some of those charged with the responsibility will not understand the consequences for the Ontario farmer. I say this based on the fact that we have not done any comprehensive studies. We are representing the farm community and presently have the view that the opportunities there do not appear to be as great as the risk we run in losing our own market at home.

Mr. D. R. Cooke: Are you of the view that our federal negotiators are presenting that view to the Americans, that is, the negative concerns we may have? My understanding is that the red meat industry is the only industry in agriculture that is interested in a comprehensive agreement with the United States. Now you are suggesting that they perhaps should not be as well. The Ontario Federation of Agriculture certainly does not have very high hopes.

Mr. O'Brien: I can certainly understand the red meat industry being interested on a country-wide basis. It certainly is in the interests of Alberta. As Canadians, we have to be mindful of their interests.



Mr. D. R. Cooke: The packers in Ontario seem somewhat interested.

Mr. O'Brien: We can understand that the packers in Ontario may be interested, but we are talking from the point of view of the beef producers in Ontario. They have a lot at risk. They have already given away a great deal of their market. I find that there is not an awareness of that fact. When I have spoken on various occasions to the Ontario Cattlemen's Association, they have come up and questioned my statistics after the meeting. It bothers me that they do not know; in my opinion, they should be more aware of that. My concern is not about any malice aforethought, but about the danger that comes from just sheer blissful ignorance of the implications.

I feel we have a remarkable marketing system in Ontario and that the people of Ontario, and sometimes some of those in high places, are not aware of the fine product we put on the market. If you compare milk consumption in Ontario with that of many of the states in the United States, where the price is much less on average, I think you will be surprised.

Mr. D. R. Cooke: The dairy industry in the United States is opposed to free trade with Canada, as I understand.

Mr. O'Brien: There are mixed signals coming out. It is a question of who is representing whom down there; that is one of the problems. When I travel abroad--and I have said this before--people are always questioning me as soon as they find out I have some knowledge of the supply management system. I must confess we are milk producers on our farm. They question me at length, because the Europeans generally, those who are knowledgeable, regard the Ontario system of marketing products as being eminently a world leader. In Australia, I find the same reaction everywhere. What appals me is that the people of Ontario do not seem to be aware that we have a system that has production and supply absolutely in balance, that essentially does not call upon the Treasury for any subsidy, that puts the highest quality product on the market, that has built up consumer confidence to a very high degree and that does this at a stable price which does not go through the normal food cycles.

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Mr. Grant may have more comments on this than I, but many of the processors support that. The dairy industry certainly is supported by the processing industry. They support supply management and so do the consumers. We have had a consumer representative on our council. That price is set and justified in a public forum with input from others. I am talking about milk now. That is not always the case.

To go back to your question, what concerns me is whether everyone is aware. I can understand the point of view of Alberta. As a Canadian, I am prepared to try to accommodate that point of view, to listen and make compromises in the interests of that point of view. I find that they are lamentably unaware of our system and marketing processes and, like many of my good friends from the west, very outspoken in their point of view without really being knowledgeable about our point of view.

Mr. D. R. Cooke: Let me put to you a few scenarios that may perhaps bolster what you are saying.

Mr. Chairman: Excuse me. Are you changing your line of questioning?

Mr. D. R. Cooke: No, it is the same line.

I have talked to a congressman from an agricultural area in upstate New York, who indicates that the major issue in his congressional district right now is the influx of market products from out of state and Ontario in particular. I have talked to a congressman from Nebraska, who feels unhappy about the negotiations with Canada because he thinks that in general the agricultural sector has more political clout in this country than in the United States. I understand that the dairy industry is not happy with comprehensive negotiations and I understand the sugar industry is not happy, for some reason or another. Most of the rest of the farm sector have not taken a stand.

In looking at all that, I have come to the conclusion that the only things that really can be worked out are perhaps disease control rules and things of that nature. The only problem is that the two national governments are still talking about a comprehensive agreement. We have this scenario where President Reagan signed the Food Security Act and, in the same month, wrote to Congress saying he wanted to negotiate a free trade agreement with Canada. Is it really serious to suggest they are actually somehow going to amend that act to accommodate us?

Mr. O'Brien: I am going to call on Mr. Hill to comment on that as well, because he has a great deal of experience in that area. We are dealing with Yankee traders, who have historically been very good traders, and with a situation where--and I do not think it is deliberate--there have been more barriers raised to our products entering the American market since free trade talks started than probably have arisen over the previous 10 or possibly 20 years. I will not recite all the areas. It is very confusing because we are getting mixed messages, as you say, even from the White House.

I am satisfied if this is going to be a long-term process and if it is very carefully negotiated. Possibly the best example is the General Agreement on Tariffs and Trade negotiations. Nothing is achieved overnight. It takes a decade to get anything in place. Possibly the GATT form is one we should pursue, because it is multinational in nature. I understand that agriculture is now on the table for the first time. I am just very apprehensive about the benefits. We have to be mindful of the fact that politics play a role in this, and timing in politics is a factor.

I hope we do not rush into something in a hurry. I am concerned that the long-term consequences for the Ontario farmer may well be negative unless we are very careful in this process. I think there are only marginal areas in which anything can be gained.

Mr. D. R. Cooke: Yet in so far as GATT is concerned, the sooner the better, is it not, although they tend to be a very slow organization? Are we not going to be faced with the federal government having to hand out larger and larger subsidies just to counteract the problems that are occurring from Europe and the United States unless, somehow or other, something is negotiated via GATT to reverse this trend?

Mr. O'Brien: It goes back to my philosophy of farming. The Japanese have a system where basically the marketplace retrieves that money for the Japanese farmer. I am sure everyone on this committee is aware that rice is the best example. The price of rice in Japan changes from day to day, but let us say it costs \$1,400 to the Japanese farmer. That is what the consumer pays. The world price of rice varies between \$400 and \$500 a tonne, so the



marketplace provides the difference. The Japanese government does not have to subsidize, because it sets the price. It is sort of a supply management system.

You can have it either by government subsidy or by the marketplace giving the return. In each case, the underlying philosophy is that you are going to sustain your self-sufficiency in food production. The corollary of that is maintaining a rural, agricultural-producing community. Those are philosophical facts.

Historically in North America, the reason we are challenged is that we were fundamentally and foremost an agricultural country. Our pioneers developed it. As we all know, John A. Macdonald brought in the national policy in 1878 to develop industry in an agricultural economy. From that point on, everything was directed towards developing industry, because back home in England and Europe there was a strong industrial base. The opposite happened over there. After the experiences of several world wars, they protected their agriculture with their industry.

We have these two historical traditions that are absolute opposites. Suddenly, with European production levels increasing to the point where they are in a surplus position, they are in conflict, and they are two fundamental, historical, philosophical approaches. Either we do it hypocritically, as the Americans do, with virtually the same kind of program in place, except that they have four or five different systems to subsidize, or we do it with the more particularly European approach, where essentially most of it comes out of the marketplace. They export their surpluses, but European consumers pay the costs.

Surely the third option is possibly the Ontario system with supply management. If you compare the three of them, which one seems to be much more rational and in tune with common sense? I would like to put forward something that is the challenge in this province, namely, to examine the system we have.

The European system is very deliberate; the American system is very ad hoc. The Europeans have a system where there are good returns but production is out of control; the Americans have a system where there are basically low returns outside government subsidy, and production seems to be basically out of control. They have many controls on production there. In some sectors in Ontario, we seem to have a managed system that does not call upon the taxpayer for many dollars and keeps production in line with consumption.

Mr. Hill, you have been living with this for many years and you probably have something to say on the subject.

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Mr. Hill: To deal with the free trade issue, perhaps I may suggest that many farmers are not convinced that legislators are on their side. I say that in as kindly a fashion as I can.

As to what would happen if we did have free trade, our agriculture would be decimated in many areas.

Mr. D. R. Cooke: Are you talking about legislators in this province?

Mr. Hill: Not just this province, but legislators, period. I suspect it is not a great surprise to you that I say that.

The free trade negotiations are of great concern to our farmers, not only the ones who have supply management but also those in our fruit and vegetable industry, many of our producers.

One of the things that perhaps gives them as much reassurance as anything is the thought of what it would do to Quebec if free trade were to come in and we were to lose supply management in the dairy industry, for example. That Quebec is an important province to all political parties is one of the things that makes our farmers feel that perhaps we will not lose our supply management system in the dairy industry.

As they try to struggle with the economic problems, our farmers are hoping legislators will recognize the problems they face and do something about them. What is happening to our farmers out there is a crime. Many of them, who have had a lifetime of hard work, have tried to help their children get established and now find themselves on the verge of being dispossessed. It is going to take a lot of consideration, not only by the legislators but also by the people of Ontario and Canada.

The situation now is similar to what was going on in the late 1960s. At that time, there was a study of agriculture by a committee that was known as the special committee on farm income. A report was produced that was called The Challenge of Abundance, and there still are copies of that report around. Members of the committee might find it important, or interesting at least, to look at some of the proposals that were made.

One of them was that if it were passed all the way down through the chain and back to the farmer, it would take only a very small percentage increase to turn around the income of farmers completely. Mr. O'Brien has mentioned the importance of getting income from the marketplace. Certainly, this is where every farmer to whom I have ever talked would much prefer to get his income. They would like to see a better job of marketing.

Many of our farmers are not sophisticated in marketing. We may be sophisticated as far as production is concerned, but many of us really do not understand how to market effectively the products we produce. If we could find systems that would allow us to increase marginally the price to the consumer and have that increase passed through the system to the farmers, they would make a real turnaround in his economic wellbeing. This is something with which we in the Agricultural Council of Ontario can help. Mr. O'Brien has mentioned the need for an agricultural strategy, and this could certainly be involved in developing an agricultural strategy.

Mr. D. R. Cooke: When you speak of legislators, you are aware, I presume, that the Ontario select committee on economic affairs has recommended that the very first thing we should be doing, barring anything else, is to enhance and insist on fast movement of the GATT negotiations in so far as agriculture is concerned before anything else is even dealt with in GATT. The other thing we recommended is that agriculture be essentially a nonstarter in so far as the negotiations with the United States are concerned. I can get you a copy of that out of my car if you want to see it over the lunch hour.

I have another question concerning Japan. I am just not terribly with it.

Mr. Chairman: Mr. Cooke--

Mr. D. R. Cooke: No, I am still on the trade thing, and then there is my last supplementary.



Mr. Chairman: Mr. Hayes wants to get in for a supplementary too on that subject.

Mr. D. R. Cooke: You say Japan uses a market approach but that in essence and in the long run it protects its agricultural sector. Is that not correct? If the worst came to the worst in the international community, Japan could feed itself today. Is that fair?

Mr. O'Brien: It is very interesting. Japan is a country we should look at. It is certainly, in the modern context, a country that has just been in recent months providing its citizenry with an average income exceeding that of the Americans in American dollars. This is something very hard for most North Americans to accept. They have done that with one of the most structured economies of contemporary economies.

Part and parcel of that structuring is agriculture. All three political parties in Japan have as part of their creed the fact that Japan will maintain 70 per cent self-sufficiency in agriculture. The reason I use the three is that it is not disputed by them. This is based on their historical experience with, and their phobia almost, about dependence on offshore food supplies. North Americans should realize we have been trying to penetrate that market for 10 years and have got nowhere. If you examine the increase in United States exports since 1972, I believe the Americans have increased their exports in agriculture by five per cent. It is just phenomenal how they have been denied access to that market.

The result is that Japan now maintains a very high-cost structure, if you want to call it that, in agriculture by merely refusing to permit imports. Australia is right at hand there with some of the lowest prices of all agricultural products in the world, but Japan will not give it access to that market. They are committed to 70 per cent self-sufficiency. Incidentally, they have maintained that level for years. It has varied by only a few percentage points.

I want to make one comment, and Mr. Hill will forgive me. I think that, historically, this should be corrected. Certainly it is complimentary to yourselves, but it is the truth. Historically, legislators have been quite friendly to the farming communities in all countries, the European more particularly. The people who have been unfriendly to farmers are those who I call the agricultural intelligentsia. They are frequently academics--you have probably heard me on this subject--and possibly, I say with great discretion, some civil servants in certain places and certainly people in finance and government.

Galbraith is the person who documents that. In his most recent autobiography, he states that American farm policy over the last 40 years has been brought in despite the recommendations of all the leading Department of Agriculture agricultural economists. It is an ad hoc policy basically arrived at by legislators in Congress. The result of that policy, which has been universally criticized at every review--it goes through reviews every five years--is that they have developed over those 40 years the strongest agricultural industry in the world. It was an ad hoc creation of the legislators as opposed to the US Department of Agriculture.

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In fact, if you watch and hear what the American agriculture department is generally recommending, you sometimes wonder whose side it is on. Right

now, when Congress is considering a review of the Food Security Act and will possibly consider phases of supply management, the agriculture department is the number one enemy and has gone across the country recommending that this option not be adopted. It is very surprising, because it has cost the American taxpayer a great deal of money.

Again, when Roosevelt came in in 1933, his speeches at that time were quite interesting. This was before Keynes became popular. In the early part of the Depression, despite the recommendations of all the so-called classical economists to fire more civil servants, spend less and retrench, he said: "This just is not working. Everyone is going out of work, our farmers are all desperate and as legislators we can see that something has to be done." They came into Congress from all parts of the United States.

Against the advice of the agriculture department, against the advice of the leading agricultural economists, they went into a program and actually dared to discuss things such as parity pricing. They brought in a program of helping farmers, getting them to work and increasing the price of foodstocks. They started to turn it around.

Right now, we have an example in the United States where the legislators are considering policies totally opposed by the US Department of Agriculture. It will be very interesting to see what Congress does. I have said many times that the crucible of the development of North American farm policy is going to take place in Congress; that is the place to watch. I wanted to make that comment. I am sure Mr. Hill really meant that sometimes government is not always sympathetic. Certainly, in many cases, the US Department of Agriculture does not seem to be sympathetic.

I will finish on this note. It is very surprising. Perhaps the reviews highlight the impact of the American trade industry. I was going to say the processing companies, but it is really the large trading companies. It is because of the influence they have that the present policy in the United States subsidizes grain to the Soviet Union below the cost of production. That is the policy, on the theory that some of it will trickle back to the farmer. That keeps the ships going, the elevators full and the industry alive, but one wonders if \$1 sent back to the farmer would be better than \$5 spent subsidizing food to the Russians. I think that is the issue American legislators may address.

Mr. D. R. Cooke: Let me just sum up. I am not asking another question. What you are saying seems to corroborate what this Nebraskan congressman was saying when he suggested there was not not enough political pull in the agricultural community on the administration in the United States generally.

Here is another interesting aspect of the Japanese economy. I heard over the weekend that Mazda is now going to use its assembly facilities in the United States to assemble cars to export for sale in Japan.

Mr. Hayes: I was interested to hear your remarks about how Japan has become 70 per cent self-sufficient. I think it has a lot to do with North American expertise in bringing that country together to reach that end in the post-war days.

Dealing with the free trade issue, I do not think it is any secret that when we talk about our marketing boards or supply management, in the eyes of the Americans that is definitely unfair competition. To me, and I want your opinion, I think when we talk about agriculture being on the table for free



trade under the free trade talks, my opinion is that all programs would be reviewed, negotiated or whatever way you want to put it. I think we really have a lot to lose even with agriculture itself being in the free trade talks.

I just wanted your opinion on that. You mentioned a good example of the milk industry. Then of course the feather industry is another one where the Americans would probably increase their production by five per cent or less and that would take care of our market over here. That is just one area where I am sure it would really devastate our agricultural industry in Canada. I would like to hear your comments in that regard. I know you touched on that or Mr. Hill has touched on that.

Mr. O'Brien: I really agree with the thrust of your comments. It seems that in most sectors--and the brewing industry is an example--the concept is the Americans have such a large producing machine that weekend production or marginal production will look after the Canadian market. In fact, Jon, would you mind commenting on the processing? Jon can discuss this matter outside the primary production of agriculture but in the processing area and I think can bring home the threat and the danger very particularly.

Some of his comments are almost alarming in terms of the impact, if free trade is entered into without a lot of consideration. I am not being absolutely negative. I do not think anyone can rationally be negative to free trade, certainly if it is done through the process of GATT, but the implications certainly require a lot of forethought and consideration. Jon, you can comment on the processing industry and some of the technical factors.

Mr. Grant: Yes, I will try as best I can. I think it is a very complicated subject. There is no question about it.

Let me go back for a minute just on some earlier conversations that you have been having and talking a little bit about terms for protecting the Ontario farmer through the process of supply management boards or whatever to get a better return, which in effect then, shared by all Ontarians or Canadians, is a way of doing that.

As soon as you trigger those mechanisms, even now you are going to increase imports. There is no question about it. For instance, if you took the bread industry in the western provinces, the wheat pricing question, which is being dealt with in Ottawa. If you start to play around with those mechanisms, you are going to have a flood of American bread products into this country like there is no tomorrow, pasta from Italy and a whole variety of things that are going to occur. We are a very tight, competitive market in food processing.

The generally held view is that if we move towards a comprehensive free trade situation, then the Ontario food processing industry will suffer quite dramatically because of the relative size of the plants in relation to the plants in the United States. Regardless of whether they are multinational, Canadian owned or US owned, it does not really matter because most food processing plants in Ontario are multiline plants; that is, you run the line for an hour, and if you have done your peas, you do something else and you have a whole variety of things going on in the same plant. The American plants, by virtue of the size of the market, are single-product businesses which are running all the time. It stands to reason they can supply the Canadian market a lot easier.

I think that has some real implications. If you talk about the farming community and the employment that is in the farming community, but take that aside and look at the rest of the industry, that is the food processing industry, which is a large employer of people right through from the farm gate to the time it is picked up on the grocery store shelves, there are a lot of people involved in this. This is a very big industry in Ontario.

In this instance, my point is that in fact we cannot have it both ways. I think the Europeans have proved this in the European countries where the European economic relationships are going on, but there is a tremendous amount of subsidization that goes on intercountry to maintain the agricultural base in those countries. We are going to have to do that.

The other thing that scares me enormously about any kind of a free trade agreement, even if we get it, is that regardless of whether agriculture is high or low on the totem pole in the United States, on a local basis the US farming lobby is much stronger in its structure than it is in Canada. When a problem occurs, I think congressmen react much more rapidly to their constituencies, particularly in the Midwest. You can bet your bottom dollar that if we had a free trade agreement and we found that some of the border states were being flooded by Ontario products, such as milks, eggs, whatever you want to put on the table, they are going to find some way, whether it is controlling of the quality or something, those farm groups are going to raise one heck of a stink.

It is a one-way street in agriculture. I think the problem Canada and Ontario have is that there are not many ways you can really win in this free trade environment. I would rather see that the whole agricultural thing stays off the table and deal on a segmented industry basis, where you go sector by sector and take a look at them to see what we can do, than try to encompass agriculture into the whole process because we have a different structure in this country and we have a different climatic situation.

We have a different processing industry. We have a processing industry that may produce 20 products where their plants produce one. To do that, then I think we have to still maintain some kind of an identity that is strictly Ontarian, Canadian or whatever you want to do, which is going to cost us some money to do. The consumer is going to end up paying for it, but we have to have protection. There has to be protection and if the price goes up at the shelf, then we cannot have the market flooded with American products too. It is a very difficult situation.

I am not sure the negotiators, and those I have talked to who are working on this, really understood in the first instance what the agricultural problems were in North America. Now as they are starting to uncover them, I think they are finding it is going to be a difficult thing. It could be the Achilles' heel of this whole process. That is my own personal view. That is a long way of saying a few things.

Mr. Chairman: Thank you. My watch says 12:05 p.m. I think it would be a good moment to recess and come back again at two o'clock with Mr. Ashe's first question.

Mr. Ashe: Are we going to adjourn now for lunch?

Mr. Chairman: Yes.

Mr. Ashe: Just then for the benefit of the panel that is with us, my questioning after lunch will be to Mr. O'Brien, Mr. Lewis and Dr. Tanner. Are they all going to be here this afternoon?



Mr. O'Brien: Yes. Everyone will be here.

Mr. Ashe: Apparently Mr. Lewis will not.

Mr. Chairman: Mr. Lewis will not?

Mr. O'Brien: Everyone will be here but Mr. Grant.

Mr. Ashe: Mr. Lewis just said he would not be.

Mr. O'Brien: Oh, pardon me. You will not be here? My apologies. Mr. Lewis will not be here.

Mr. Ashe: Could I have one minute then, Mr. Chairman? The briefest one was with Mr. Lewis. It is just clarification of a couple of other issues. If I could have the indulgence the committee and the panel, I would appreciate it.

Mr. Chairman: Okay.

Mr. Ashe: It is just a clarification on a couple of issues that were raised before, regarding the jobs in the farming community and your impression or feeling that they were not going to significantly further reduce. By that, do you mean you feel that we have already reached an optimum productivity level per person in the farming industry? Are you putting it in that context? You really do not think that to produce the same volume of a particular commodity in the future is going to need half the people to get the same end result?

Mr. Lewis: I feel there will be the same number of people, slightly reduced but, by and large, the same number of people living in the rural communities.

Mr. Ashe: I got that one, but I am trying to put it in context. Do you then feel that the need for the productivity of what we can produce in Ontario is going to remain the same or go up or go down with roughly the same number of people? Maybe I will put it in that context rather than talking productivity?

Mr. Lewis: All right. After having said I feel that the same number of people, slightly reduced, in Ontario will stay the same, Ontario is not really overproduced. The problem we have in Ontario is we are not overproducing corn, wheat or any of our farm commodities. Our problem is that our prices are set elsewhere. I say that with respect to corn because I am most familiar with that. We do export some corn out of Ontario, but we also import. By and large, that stays the same. I say that because of that we will not see a great reduction in our labour force in agriculture, but we will see more part-time farmers, because mainly the agricultural commodity prices will not generate enough income for them to meet their loan requirements and their living requirements. Agriculture will not support the borrowings that we have had in the past.

Mr. Ashe: That clarifies it for me. In your dealings with the financial problems--the 25 or so cases that you were talking about--that are undoubtedly in the agricultural community on a regular basis, do you find the overall feelings of the banks have changed? You mentioned that you have had good working relationships generally on these problem cases recently with the banks. We are all aware that not too long ago the bankers were really painted

as ruthless, noncaring and nonfeeling individuals in their treatment of the farming community generally and farmers specifically. Do you find they have generally received different directions from head office, so to speak, to deal with the problems in the farming community in, let us call it a more responsible or a less strident way?

Mr. Lewis: I do not know whether the directive has come from their head office to be more negotiable or to co-operate more fully now than they were, but I know they realize now that they have a problem and that they must get it settled. It is not going to be changed by commodity prices or the situation changed in rural Ontario. They know their loans are not productive and they have not been for a year or two with the people I am dealing with because, as I indicated before, the people I am dealing with have lost all their equity and they know the people have a problem.

In my situation, I come in and try to get these people together to satisfy the problem the bank has and the problem the individual has. I think the banks have maybe not changed their attitude, but they are realizing the situation is that they must co-operate in order to get--

Mr. Ashe: Anything.

Mr. Lewis: Yes--in order to get finishing the job.

Mr. Ashe: Thank you. I will leave it for now.

Mr. Chairman: We are all in agreement we will recess for lunch.

Mr. Hill: Could I just make a comment on the point about farm employment? I do not want to argue with Fred. I think he is right, as long as common sense prevails, but the one thing that could change the employment on the farm is the animal rights' protection people. If they have their way, then either our production of livestock will decrease dramatically in Ontario, or else there will have to be a lot more people involved in the production of it, making it more expensive. That expense would have to be passed on to the consumers, but these people are extremely dangerous unless common sense will prevail.

All of the farmers I have talked to want to treat and do treat their livestock humanely, but the concerns of the animal rights people could do away with common sense in livestock production and change our production techniques dramatically.

Mr. Ashe: It may make us into vegetarians.

Mr. Hill: Perhaps they would not even let us be vegetarians, if they will not let you cut alfalfa in the bud stage. Once they get rid of the livestock, then they are going to turn to the plants and trees.

Mr. Ashe: We can all starve to death together anyway.

Mr. Chairman: We will recess until two o'clock, if that is okay.

Mr. O'Brien: We have copies of our farm income study, if anyone wishes to have one.

The committee recessed at 12:10 p.m.



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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

AGRICULTURAL COUNCIL OF ONTARIO

MONDAY, MARCH 2, 1987

Afternoon Sitting

STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Cooke, D. R. (Kitchener L)

Epp, H. A. (Waterloo North L)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Mancini, R. (Essex South L)

Marland, M. (Mississauga South PC)

Smith, D. W. (Lambton L)

Swart, M. L. (Welland-Thorold NDP)

Substitution:

Ashe, G. L. (Durham West PC) for Mrs. Marland

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Witnesses:

From the Agricultural Council of Ontario:

O'Brien, D. A., Chairman

Tanner, Dr. J. W.

Epp, P.



LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Monday, March 2, 1987

The committee resumed at 2:04 p.m. in room 230.

AGENCY REVIEW

AGRICULTURAL COUNCIL OF ONTARIO  
(continued)

Mr. Chairman: We will begin. Mr. Ashe, you have the floor.

Mr. Ashe: I have a comment and then some questions for Mr. O'Brien and Dr. Tanner. The first is related to the report from Pollution Probe that was brought before us this morning. One of the things that struck me, and from time to time has struck many people in this room, is that even though you cannot attack the ultimate goal of Pollution Probe--we are all tuned into wanting a better environment and so on--it has never been known as an organization that puts its issues into context very responsibly. In other words, it is not a matter of saying, "This is this and this is the comparison." It picks the route it wants and makes an alternative appear 10 or 100 times worse. That is obviously what it has done here.

I hope you gentlemen really take that kind of thing to heart and give the message. You may be working with the ministry in that regard on the Foodland Ontario aspect or whatever. We may know about it a little bit, because we are kind of with it from time to time, but if much of it gets a great deal of press, the average consumer will believe it. It is all very one-sided, so that is just inevitable.

Mr. O'Brien, I want to clarify something. This was not part of my line of questioning, but on the Japan issue, the 70 per cent came up in the latter discussions this morning, when they have achieved more or less 70 per cent self-sufficiency, are they talking about value or quantity? In my mind, that could be considerably different. For example, if they are enhancing the price of rice by \$1,000 a ton--I know how much they enhance the price of Kobe beef; for example, you have to pay \$50 to sit down to a piece of Kobe beef and it is not as good as ours as far as I am concerned. If you relate it to value, with those inflated prices, I can see how they could reach 70 per cent.

Having been to the country only once and having seen that there really does not seem to be a great deal of agricultural opportunity, I find it hard to believe they could be at 70 per cent of the quantities; the price, sure, by those kinds of methods. Do you know which it is?

Mr. O'Brien: I cannot be absolutely sure but I assumed it was in quantity rather than in price. Of course, that included the fisheries industry.

Mr. Ashe: There is no doubt that is significant. It is not overly relevant to our situation unless it helps yours on occasion in making a point, but it would be interesting to check into it a little more because I have a suspicion that they are talking dollars. If you take it as dollars and take out fisheries, I think they are not even close to the 70 per cent on all the

other commodities they eat and/or drink. I do not know how broad that is. I presume it goes into dairy products in the context of milk and so on.

Mr. O'Brien: A major paper was given on this matter by someone who had studied the situation at the University of Waterloo about a year and a half ago. I attended that conference and it surprised everyone to realize the production they had, either native production in Japan or the amount of food. Of course, a large portion of their food is provided by the fisheries industry, but it was in the hands of the Japanese. Certainly, we can provide that. We will provide that information for you and I think we can get the background documentation on that.

Mr. Ashe: Good; thank you. During or after your opening statement, you were talking about Ontario exports; that, generally, the importance of agriculture was onshore rather than offshore. You made specific reference to pork, of course, as being an exception. What are some of the others? For example, I thought soybeans had a reasonable bit of market in Japan, second only to pork. How many other agricultural products have a significant component that are there and flourishing, using the term loosely, because of the export market?

Dr. Tanner: Tobacco, white beans, winter wheat.

Mr. Ashe: Is that all? Do soybeans not get in there at all?

Dr. Tanner: No, we are at about self-sufficiency in soybeans. We export some specialty beans to the Pacific Rim. We have always felt a million acres would make us self-sufficient. Are we about 1.1 million now, Mr. Epp?

Mr. P. Epp: It is 1.2 million.

Dr. Tanner: We do have some that we export, but basically it is a domestic market. We will have to work for the exports and it will be specialty beans, primarily to the Pacific Rim.

Mr. Ashe: Besides soybeans, what other kinds of beans would these be?

Dr. Tanner: White beans. Do you mean for export?

Mr. Ashe: For export.

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Dr. Tanner: There are beans specifically with the clear hilum that are used for some Japanese foods and also there are these little nato beans. They are a type of soybean with a small seed, quite a high-protein bean that demands a premium in Japan. We do not have very many acres of those yet.

Mr. Ashe: I know, as of three years ago anyway, that soybeans were either our second- or third-biggest export, I forget which, to Japan. I am talking only about Japan. Pork was the first.

Mr. P. Epp: It should be added that since 1976 we have increased our exports to Japan from the first shipment of 27,000 to currently around seven million bushels, which has been done strictly through the efforts of the boards and co-operation between the elevator and the Ontario Ministry of Agriculture and Food.



Mr. Ashe: There is no doubt that our beans are well accepted there. I visited a miso factory and what have you. Of course, they blend them. Ours was a much better bean but a lot more expensive than they can buy elsewhere. They do not use solely Ontario beans because of cost, but they do appreciate the quality of them. One of the things would be the high protein, I guess higher-than-average protein, higher than they get cheaper elsewhere.

Dr. Tanner, on the main point, the free trade discussion, it obviously is of ongoing interest in many areas including in the agricultural community. Maybe I took the wrong impression, and that is why I think it should be clarified for my purposes even if nobody else's, but I took the impression that you may differ a little from most of your colleagues who spoke vis-à-vis the free trade situation. I do not know that you said it in exact words but I took it on the basis that you said the Americans have the feeling or you feel they are potentially much bigger losers than we are, which would seem to differ from virtually every other one of your colleagues who made any reference to the issue at all. I understand that part of that scenario presumes we are both operating on an equal playing field. I will take that as a given. Can you expand on that a little more? Perhaps, Mr. O'Brien, you can fit into it depending on how you react to what Dr. Tanner says.

Dr. Tanner: Maybe I do disagree a little bit. I do not think my disagreement comes on the basis that I feel the Americans would be bigger losers. Agriculture is such a complex issue on both sides of the border. We know of the complexities of our side of the border. The corn producers' association, for example, when it was putting the countervail forward on corn, found how complex it was. I think I am right in saying that they documented something like 75 different supports that were going on in corn at various levels through the system. There is no doubt there are lots of subsidies that exist there. They are just a lot harder to get a handle on.

First, I think agriculture will finally end up on the table for free trade. Second, because of its complexity, there would have to be so much horse-trading go on that for them to continue a lot of the historic programs they are committed to, they would have to be prepared to bargain a lot of things that are historic things here, part of the fabric of our agriculture here.

I also am not as negative for Ontario in terms of climate as maybe Jon Grant was this morning. I think southern Ontario is the only place in Canada where there is a potential for what you might call world-class agriculture. We are blessed with a climate better than at least half of the United States, more than half, because we have water and pretty good temperatures and good soils in southern Ontario. Regardless of what happens with free trade with the US or what happens in the General Agreement on Tariffs and Trade, Ontario agriculture could survive. We have the resources to do that. When I look at our ability to produce things such as corn, soybeans, alfalfa and good-quality soft white winter wheat, that type of thing, we have a world-class agriculture in southern Ontario and we have the potential to keep that so long as our technology stays up to date.

I do not know whether I answered your question. I differ a little bit but not because I think the Americans are potentially larger losers.

Mr. Ashe: I think you very specifically said that, though, this morning. The record will indicate that or otherwise.

Dr. Tanner: If I did say that I did not mean to say they would be larger losers. I think I said that they have some skeletons in their closet.

Mr. Ashe: I think you did use the word "potentially"; potentially larger losers. It is potentially that they could be or would be.

Dr. Tanner: I did not intend to say that if I did.

Mr. D. R. Cooke: I think it would perhaps be accurate. If they gave up everything they have in the way of tariffs they would be larger losers.

Dr. Tanner: They might be.

Mr. D. R. Cooke: It is just not realistic that they would.

Mr. Ashe mentioned the issue of countervail. The economic committee has been anxious that this be on the bargaining table. It seems that it is now. The one great winner in countervail has been the corn producers. I am just wondering whether we are perhaps throwing something away. I do not personally think so but maybe I could be convinced. Are we throwing something away if we give up our right to countervail and the Americans do as well vis-à-vis each other?

Dr. Tanner: Even if we ended up with free trade, the door would always be open for countervail in certain things.

Mr. D. R. Cooke: Supposing it was closed as part of the agreement.

Dr. Tanner: I cannot imagine that it would ever be closed.

Mr. D. R. Cooke: Both sides now say it is on the bargaining table. Does that bother you?

Dr. Tanner: It depends on the final rules that are established. If they establish certain rules, then neither side would need to have a mechanism for countervail. It depends on what the agreement is.

Could I say something else related to some things that came up this morning, especially related to what Mr. O'Brien said, because I differ a little bit from him? He said this morning, "We have enough production." There is developing in this country a terrible antiproduction mentality, and this is reflected not only in the farm community but also by the average guy in the street who sees all the subsidies and cannot understand it.

It is also reflected in the attitudes of society towards pesticides: "Why do you use pesticides? You have too much food anyway." There is an antiproduction mentality in this country today. I think you have to distinguish between production and efficiency of production. When people say "We have too much production," there is a tendency to think automatically, "We do not need production research." We may not need more production, but if we do not maintain our ability to produce efficiently, we are just going to dig ourselves into a deeper hole and require more and more subsidies along the line.

Technology in agriculture is changing very rapidly. If we do not keep up with the technology that is going on with our competitors, we are going to be in bigger trouble. I think of the whole area of biotechnology that is just coming on stream. The implications of biotechnology are so staggering that you



almost cannot imagine what may happen. When you look at the money that the Japanese in particular are spending on biotechnology and agriculture, and to a lesser extent the United States and Europe, compared to what we are spending, you will see they are going to leave us in the Dark Ages.

The only point I want to make is that you have to distinguish between production and production efficiency. That is very key.

Mr. Ashe: I can understand that. Mr. O'Brien, do you have any further response on the free trade issue? As part of that, can you tell me whether your council has had any input or opportunity for input from the Ontario agricultural community into the federal discussions on free trade, through the Canada Department of Agriculture or whatever--anything at all, directly or indirectly--or do you see a role that you could play?

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Mr. O'Brien: I want to indicate that we have had an open door with the federal minister, John Wise. We have been down on two occasions to visit him and to make representations. One of them was on our agri-mortgage proposal, which I hope everyone here is familiar with because I think we are making great progress in that program. I would be happy to discuss that later but it is not part of this topic.

Mr. Wise certainly has been most accommodating, and on every occasion when we phoned him and asked for a meeting we had one arranged within a week. He regards the council as being useful. In fact, I think we can fairly say that we have been a conduit of information. In terms of where there had to be federal-provincial co-operation, we have been able to push the program and get responses at both levels, so it has worked very effectively.

With respect to the free trade talks, particularly, or the bilateral trade negotiations with the United States, although we have discussed that in a general way, we have not had specific input on that with the federal government, and possibly we should.

I want everyone to know that we are not opposing the idea, but we are opposing any quick movement towards free trade without detailed consideration of the complexities involved. That is our only concern, and the fact that there might be many political factors that apply. We live in a world of realpolitik and we know that this kind of thing can happen, and a government does get committed. We have to be aware, on the federal level, that there is a big impetus in the agricultural sector for free trade discussions from the west. It is understandable; they are dependent on the international market.

That is balanced--as someone mentioned here--fortunately for Ontario, in large measure by Quebec. Quebec has always been a hard-nosed negotiator when it comes to agricultural matters. There is a kind of stand-off and Quebec has a lot to lose. It is much more marginal than Ontario and it does not have the southwestern Ontario climate and production potential we have.

Most of our thoughts have a common consensus in the agricultural council, although we have free debate and we try to represent all sides of the spectrum. Dr. Tanner, who is sitting with me today, certainly represents the fact that we view things from a different perspective. It is his responsibility--coming as he does from Guelph, representing research as he does and having a life-long career in it--that he support and promote that

interest that is a very valid one. Certainly, everyone in agriculture has been a great beneficiary of the technology advances that have been made.

I think I can possibly--this is the lawyer in me--distinguish that we are not totally in conflict because you can have production controls and efficiency at the same time. You do not necessarily have to control your production by inefficiency. You can control it by---

Mr. Ashe: Hopefully not.

Mr. O'Brien: This is what I would like to bring forward. Again, it sounds as if I am playing a theme, but I would like to point out that our dairy industry, at the same time as it has had quotas, has developed the highest-producing herd in the world of Holstein cattle and the prize cattle that has everyone around the world beating a path to Ontario. Everyone would agree that one of the reasons it was able to develop this animal is that there was security of income. It had the extra money to go out and develop and explore the development of the finest dairy animal in the world.

If that is efficiency, we have it here in Ontario, and certainly our production is second to none. In fact, we are world leaders in animal production. I am just using that example of how you can have orderly production, disciplined production and high efficiency at the same time. I think that is what we have to strive for.

What I am concerned about is we live in a world now that--If we just take wheat, China, in a matter of 10 years, has gone from producing 38 million tons to producing 78 million tons. India, in 20 years, has gone from producing about 23 million tons to 45 million tons. Europe has gone from importing 20 million tons to exporting about 20 million tons. We are not talking about Argentina or Brazil in that area. The whole of world trade is a little more than 100 million tons. In the past 10 years we have gone from producing about 340 million tons to producing 525 million tons.

Wheat is an example of the overwhelming production that is out there. If we can learn from the Arabs and Sheikh Yamani, there has to be some order out there. They can call a meeting and drive the price of oil up \$5 a barrel.

All I am saying is that we have to have some order. The need for world production in some commodities is past. The need is to look at marketing. If we expose our farmers to Third World prices--if we set the price at the world level--that means the price is the lowest price at which any Third World country can put it on the market or at which any industrialized country can put it on the market at a subsidized rate. Our farmers in turn have to operate in the milieu of Canadian prices. There is no conceivable way that they can overcome that hurdle. It is just common sense to come up with a rational policy that is going to preserve that farm community.

We will have to face adjustments. We may well have fewer people involved in agriculture, but we have to weigh from a political, sociological or even an economical point of view the options of keeping people on the farm with government programs or transferring them to the city and possibly having them join the unemployed.

We spend \$11 billion on unemployment insurance in this country. It is one of our greatest transfer programs. We have to say it is more than a job



insurance program. It is a supplementary income program. The entire farming community is excluded by legislation from that program. We all know that.

That is an example where billions of dollars are spent in a transfer program. I think we have to find equivalent programs in agriculture. We are in the process of doing that. We either have to do it by transfers or by finding a decent return in the marketplace where there is discipline and production.

If there is anything to distinguish this decade, the 1980s, from previous decades it is the fact, and I opened on this, that we are now living in a world of overproduction. It is not necessarily the most efficient production, and I agree that we have to continue to be as efficient as possible, but we have to accept the responsibility of disciplined production. It is from that perspective that we have to develop a new policy. As I said before, that policy has to be based on a philosophy of what we want to do with our rural community and our onshore or self-sufficiency in food production.

Mr. Ashe: I have one last point and then I will pass on to somebody else. A couple of times, both this morning and this afternoon, you mentioned in your remarks something we all unfortunately accept as being fact. That is, for some reason or other in the last number of decades in the political context of Canada--and I say that nonpolitically because I am talking about the previous government and the current one--Quebec probably carries more weight than it should in terms of pressure. For the life of me I do not know why, but it does. As was pointed out, we have had a few Prime Ministers from there, with one short exception. That is undoubtedly a part of it.

How does the size of the output from the agricultural community of Quebec compare with that of Ontario? Is there in operation in Quebec a body that is equivalent to yours, not necessarily with the same name, obviously, but one that functions as your council does?

Mr. O'Brien: I am not aware of any group such as ours. We have corresponded with Quebec, and I have talked to some of their political leaders, the Minister of Agriculture and Food and the deputy minister, about our council. They certainly have not said, "Come and meet our council over here," so I assume they do not have one.

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But I will say this on what you mentioned: One of the reasons we have to give them credit for their influence in terms of their agricultural policy on a national basis is the fact that they comprehend exactly what their agricultural policy is within Quebec. Whether we agree with them or not, they have a policy that is very much more akin to the European approach in self-sufficiency in food. It was certainly the hallmark of the previous Lévesque government that Quebec was going to move toward self-sufficiency in food and be, therefore, more independent.

They have carried that on, and certainly what they have done and I think Canadians should recognize--I regard what they have done in developing agriculture within their own province as very positive--but the citizens of Quebec are prepared to pay a price.

We were discussing this at noon. This goes back to before the trade talks. Canadians historically have been prepared to pay a price. The Loyalists paid a price. We paid a price in the War of 1812. We paid a price at Confederation. We paid a price, as an earlier remark indicated, by the 1891

election and a move for free trade in the 1880s, certainly in 1911 with reciprocity. An election decision was made in 1930, again in the Bennett period, when he was blasting his way into the markets of the world, to use his own phrase. I think the world wars also indicate Canadians wanted to go a different road.

I think Canadians today want to be Canadian. I think they are proud of the maple leaf and of what it stands for. It is not just a question of the cheapest product in the supermarket, and I think this goes to the root and basis of this problem. I think that is why all governments involved should be cautious, because when the chips are down, Canadians are going to opt to be different and to be Canadian and very proud of that.

This underlies our history. As has been said, we all pay a higher income tax because we are Canadians, and the Quebecers pay a much higher income tax than we do. They are content to do that. They could all move to Ontario, and we could all move to the United States if the only thing that mattered was a cheaper consumer product. We pay a price to be Canadian, and I think that is the price of our sovereignty and it reflects itself in our agricultural policy. That is why I say we have to be cautious in the free trade talks.

Mr. Ashe: The only one you missed was the comparable size of the Quebec agricultural capacity or output compared to Ontario's, in round percentages or whatever.

Mr. O'Brien: I will ask Mr. Veera to help me there.

Interjection..

Mr. Ashe: I will put that on the record. The response was that the present output from Quebec is approximately one-half of the output from the agricultural sector in Ontario. Is that correct?

Mr. O'Brien: For the purpose of the record, I will adopt that officially, coming from our research director, Mr. Veera.

Dr. Tanner: Ontario is about one third of all of Canada.

Mr. Ashe: Right, and the majority of that difference, I presume, is the prairie provinces. I presume that is principally because of grain, grain products and cattle.

Mr. Hayes: Dr. Tanner is already in the front seat here. I would like to discuss the part about the agricultural college wanting to turn land into a gravel pit. Maybe I do not know all the facts in this issue, but what has come out in the media is that it has found itself in somewhat of a financial bind, and to get out of that, it would be able to get some revenue by taking that step.

At the same time, I would like your opinion on the situation if you have a farmer who is in a financial bind and decides he or she wants to sell a lot off the farm to get out of a financial bind, if we would look at that in the same sense because I know--and do not get me wrong. I am in favour of preserving agricultural land but at the same time it seems to depend on who wants to change the use of that land. That is how the decisions are made. Could you elaborate on that?

Dr. Tanner: I do not know whether you were here this morning when



that came up. I will again preface my remarks by saying that I do not speak for the University of Guelph. First of all, the guidelines for land use in Ontario do specify that certain classes of land will remain in agriculture, unless preference for an alternative use can be documented. I suppose that statement, whatever it is exactly, should apply to both parties. The other difference between an individual and the institution is that the university is dependent for most of its income on government, as you well know. There are no other ways that we can go out and raise money. Either we find ways to raise money or we go in the hole.

The statement was made by the government three or four years ago that if we go in the hole a certain amount, somebody from the government is going to come in to run the operation. The university's hands are tied in that regard. I know that this year, for example, every college on our campus was asked to make a three per cent cut in its budget. From my department last year I lost a faculty position and a technician. I lost another faculty position this year. In the long run that will have adverse effects on the quality of education. There is no doubt about it.

I think the university is in a bind financially. It is not only that property. The university has some other property adjacent to the campus, not on what we think of as the main core but adjacent to the campus, that is being developed. I do not know whether the university is going to develop it as a subdivision or sell it to somebody who will develop it as a subdivision, but the university has to look at its resources. In actual fact, if the money that the university gets will improve the quality of education for all students, but in particular for agriculture and veterinary medicine students, I suppose the long-term benefits of that to agriculture could be much greater in this province than the 200 or 300 acres of land that they are talking about.

Mr. Hayes: At the same time, this university is there on behalf of, and contributes so much to, the agricultural industry in Ontario. The industry depends on the way that the college operates and on what is being taught there. Are we in a situation where the province should be funding that particular university more than it is today?

Mr. Tanner: Certainly the agricultural and veterinary medicine side of it. Three or four years ago, both the federal and provincial governments made a major commitment to additional resources for the veterinary college. I think that at that time, the case for the agricultural college could have been documented just as well. One of the differences was that the veterinary college decided to go public with its problems. We decided not to. In retrospect you might say that in view of what it got out of it, the veterinary college was better off having gone public. We in the agricultural college elected to try to play within the system. That was a conscious decision, but I can assure you that there was a lot of discussion in the agricultural college at that time as to whether or not we should go public, the same as the veterinary college did.

Mr. Hayes: There is a lot of talk--and I know Mr. Johnson raised the issue of encouraging commercial or industrial development in the rural area to offset the problem in the farm industry and to bring the other industry closer to the farm community to help to supplement the farm income. I am not entirely opposed to that particular idea, but it bothers me somewhat when I really feel that by going that route, what we are saying is that the plight of the family farm is inevitable and therefore we should be looking at some secondary industry in that area.

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I would like your opinion on that because I feel that we are not addressing the real problem, and the real problem is prices for the farmer today. If we are going to look at that area, of say, putting commercial or industrial zoning or bringing industries into the farm community, what we are saying is that there really is not much that we can do, so we will go that route rather than finding the ways and means to make sure the farmer gets a decent price for his or her commodity, labour and so on.

I would like anyone to answer that question; how they feel about that.

Dr. Tanner: I agree with what you are saying in the sense that I do not philosophically disagree that there may be a place for some industries out there. We have a Datsun plant in Alliston, and now a plant is going down at Ingersoll. I am sure those plants will have a significant effect on those rural areas.

But, in a way, what you describe almost looks as though we have given up; that you can ever make a living in agriculture. If that is the attitude, then it is really too bad. It seems unfortunate to me that people who are legitimately involved in agriculture cannot get prices that will give them a reasonable living for their efforts.

By saying we should build a plant up in Grey county or some place, maybe we are giving up. Maybe we should be trying to get the root of the problem instead of treating the symptom. There are areas in this province, there is no doubt, where people are trying to farm land that never should have been taken out of trees.

There were areas of land in the 1970s, when grain prices were good, that went into cash crops that never should have, except they were reacting to market conditions. As a matter of fact, as agriculture is retrenching now, you would expect some of those would go back out of cash-crop production.

I tend to agree with the essence of what you said, that rather than look to industrialize our urban areas, why can we not find a way to make it so farmers can make a living.

Mr. Hayes: I think what we should be doing is finding ways of getting those farmers who are working on off-farm jobs to be able to become full-time farmers. I am not saying they are all going to be that way, but that is the way we should be going. I want your opinion on that.

The other thing, too, is some of the government programs. I know for a fact that some farmers have been disqualified, for example, from the Ontario family farm interest rate reduction program. One of the reasons was that their farm was maybe not viable or they could not feed their own family type of thing. I know one case in particular where the farmer's operation was viable and then, just within the last two years, that individual took an off-farm job to supplement the farm. When he applied for the Ontario family farm interest rate reduction program, he was turned down. He was told that he was not a full-time farmer.

In one case we are saying, "Let us encourage and let us help that person out by going to get an off-farm job," and yet at the same time when this happens, that individual is penalized because he has that off-farm job. I do not think that is what the program is really meant to do. I would just like to hear your comments on that particular issue.



Mr. O'Brien: I will address that as well an issue you raised earlier. I think we are faced with a dilemma that we have to confront realistically; that is, farmers are increasingly dependent on off-farm jobs. Our family farm study showed this. Much as we would like to reverse this, and as much as we regret it, it seems that it is a fact of life out in the rural community at present.

In our report, we addressed that issue by saying that, frankly, we felt a program should be developed by government to provide jobs related, if at all possible, to agriculture or the infrastructure supporting agriculture. In other words, we would certainly like to have Honda, Nissan and the various large automobile companies out in the countryside, but that is a fortune that most of us are not going to see realized in our own communities.

But there are other jobs in keeping with the current demands of the consumer, where farmers can enhance their product. In other words, they can develop a better product selling at the roadside stands, developing a local market or getting into building farm machinery. Some of the Mennonites have done a marvellous job in these areas, farm-related jobs that can be done in the off-hours.

The consumer, as we know, is going out of the city now to buy fresh produce more than ever before. I know quite a number of farmers who salvaged their farm operations along the highways going north to cottage country and are doing extremely well, beyond their wildest beliefs, selling corn, fresh bread and this type of thing. This is the direction in which the consumer wants to go, and some of the supermarkets are having difficulty as the specialized shops and enterprise develops.

To accent that type of development, we recommended that there be government programs. In other words, if someone wanted to finance that type of enterprise there should be a government program. If he goes into the ordinary bank to try to do it and he indicates he is farming on the side and doing this and that, the average bank is going to look rather askance at this type of loan. Possibly, there should be support for this type of thing.

Another area is that we have a lot of new Canadians who deal in specialized foodstuffs--lamb and this type of thing--and there is a great demand for that in even some of the metropolitan restaurants. They cannot get that product in Canada. That often requires some kind of process in an infrastructure.

We feel loans should be made available and programs put in place to allow an industry to develop in that transition stage, that will allow the farmer to go both ways. He can maybe move into that during a crisis period and then revert back to farming, but he is not giving up the farming base. That is some kind of a compromise that may be possible in that direction.

Mr. Hayes: Really, what you saying then is some of the farmers should be able to do even their own processing, for example. I do not really have any quarrels with that, but I think it is really open-ended when we talk about bringing industrial and commercial enterprises into the rural areas.

Dr. Tanner: We have to remember that in a lot of government programs, I think there is some rationalization for targeting to the people who are trying to make their living 100 per cent from farming, the true, legitimate farmers. I would never put down part-time farmers. A lot of people are part-time farmers now by choice, and they will be part-time farmers for many years.

There are lots of people in Essex county who own 100 acres, plant 100 acres of corn or 100 acres of soybean and work in the Chrysler plant in Windsor. At the University of Guelph, I have at least six or eight friends who have farms and have cattle on the farms. That is all they do. In some ways, they add a lot of stability to the rural areas in the sense that during the tough times right now, basically, they have a living from off the farm. The part-time people, for the most part, are not the ones who are really suffering; it is the people who are in it 100 per cent to make a living, really.

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Mr. Hayes: I agree with what you are saying. There are some that are working on off-farm jobs by choice, but I know a heck of a lot of them personally and it is not by choice. They would love nothing more than to be able to go back to farm full-time.

This next question actually deals more with the banks than anything. I have heard the comments about how the banks have been really nice guys or have not been as bad a lot as people think they are. I know I spoke to Peter Epp about this a little earlier.

I have a situation in my riding where these farmers--three brothers--had 90 acres of their farm rezoned to industrial quite a number of years ago. As a matter of fact, they sold this 90 acres. It has been a number of years and the purchaser has not paid them a penny as of yet. It is a case where the bank has come in and sent a letter to the purchaser that said: "You deal with us. You do not deal with the farmers any more. If there is any information that you want or anything you have to say, you talk directly to us."

Now they have another purchaser for that property. They have been saying to the bank: "Fine, you have control. Why can you not go after that individual"--I guess they call it a power of sale--"and force something to happen there?" The bank has not done this. They are now in a situation where they have another purchaser. Their debt is close to \$1 million. If they sell this 90 acres, they will make enough that they would be on even ground and would not owe the bank anything. Yet, at the same time, the bank will not release this property to allow those farmers to go ahead and sell the land.

There are a lot of different issues in this case but, as far as I am concerned, the bank is just holding this debt right over their heads. Have you ever run into a situation like this in the Farm Debt Review Board?

Mr. P. Epp: I would say not similar to what you are describing, but we have numerous cases with \$1 million to \$1.3 million in debt. My suggestion would be that if you did go to section 16 under the FDRB, I would be very disappointed if some arrangements could not be worked out with the bank. However, I should also add that there are numerous cases being worked out between the banks and individual farmers without coming to the FDRB. The proof is, and I stand to be corrected, but I believe that something like 50 applicants have more or less asked to be removed from the FDRB because they have been able to make their own settlements with the banks. One bank in particular has a couple of chaps going around out in the countryside trying to work out the differences of opinion between the farmers and the bank.

Not being familiar with this case, I would say that if these three brothers wanted to bring it to a head and were to go under section 16, they should be able to work something out with the bank.



Mr. Hayes: The other question I would like to ask is on a case, with which I think you and I are both familiar. I heard the comment made that the manager from the main branch said to the farmer, "If you had dealt with us instead of dealing with the local bank, we might not have been in this situation."

I am just wondering, in a case like this, do you find in the Farm Debt Review Board through a lot of your hearings that there are times when the bank manager in a local bank may have a different set of guidelines or the message is not getting to the head office, for example, in some of these cases where people would have been better off going to the head office rather than getting jacked around per se at the local level?

Mr. P. Epp: I think the very reason the FDRB was introduced was because communication had ceased to exist between the individual and the local bank managers. As a rule of thumb, the FDRB people all deal more or less with the personnel out of head offices. In other words, the people we deal with all have their expertise in agriculture economics and so forth. It is very seldom that you will directly negotiate with the local manager. It will always be someone either from Toronto, depending on the bank, or from London, mostly from London, depending on which area you are from.

To answer your question directly, I think it is more a personality clash than anything else. The individual farmer has made some comments to the bank manager and vice versa, communications have broken down, and therefore, these people are not in the best position to resolve the problem.

When FDRB is introduced and the people are brought together from head offices, nine times out of 10 the problem can be solved; I repeat, not always to the best that one wants, the ideal condition, but to the best of all circumstances involved.

Mr. Hayes: One more on that same subject: I heard this yesterday. It is the same case--the same bank, the same farmer.

The bank is insisting, "You have to show us your income and output based on a 16-month period." This is something new; I have never heard this. In other words, where the farmer thought, "Okay, I have my books and everything all together to the end of December," for example, they are saying, "Oh, no, you go from January, February, March, April" type of thing. We all know that during those months, the farmer does not really have any income. They are basing it on a 16-month period. That farmer can go and say, "This year I made some profit, so you can see we are making some gains here." That is averaging it over 12 months, but if you average it over the 16 months, it is actually showing a loss there. I do not know if this is something that has come up lately, if it is this particular bank or what, but it certainly does not make sense.

Mr. P. Epp: I would have problems with that, Mr. Hayes, for the very simple reason that in some cases we do request accrual accounting, a statement of three years back, and if at all possible, an estimate of the accrual accounting for the next two years, but on a yearly basis.

The only reason that is done is that statements and counter-statements are made as to his viability and whether he can service the--let us put it this way. If you write down a piece of property to today's values and it is being refinanced, is that operation viable? Will it carry enough cash to service that debt? I have not heard of any for 16 months, because it is highly inappropriate, unless it is a livestock industry--

Mr. Hayes: No, it is not.

Mr. P. Epp: --and it still would not wash.

We have asked, especially where we are trying to keep the people on the farm and trying to make the farm go. There has to be an opportunity for the person at least to see daylight two years down the road. So what we do is we ask for the accrual accounting setup from three years back, and in some cases three years ahead--just an estimate--to see whether that thing will cash-flow.

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Mr. Hayes: I have one more quick question. I discussed this with you earlier. This particular bank--and I do not know if all banks are this way--does not take into consideration stabilization programs or the OFFIRR program, for example. It is saying to these farmers, "We are not taking that into consideration to show where you have made a profit, because that is new-found money and we really cannot put that in there."

Mr. P. Epp: Let us go to the federal program that is mandatory under the act. Soybeans and corn are main commodities so they have stabilization. There is an automatic computer sheet printed out, X amount of cents, and this year it is going to be roughly 45 cents from the federal program. That pays only if you are enrolled in it. We are looking at stabilization, which we use in the formulas, which is anywhere from 75 cents to 95 cents a bushel. Pardon me for using bushels, I still do it the old way. I am hard to convince that we have to go metric, but I do use metric once in a while.

We like to use that to show a real factual cash-flow situation and that is it. The only thing that is going to happen within the next two years, and I hope this committee will take a serious look at that, is that the stabilization program will more or less kill itself, because instead of having high prices that we just came out of, we will enjoy only about one or two more years of reasonable stabilization support. From then on, it is more or less going to be out the window because our price will be so low that there will not be sufficient stabilization programs to keep us viable.

At present, the stabilization program is what keeps a lot of us out of the wolf's mouth, so to speak, because it helps us to meet our cash flow to service all our debts. But if this is what they were talking about, two, three or four years down the road the stabilization is not going to be significant enough to have an impact on our cash flow.

Mr. Mitchell: If some of the questions I asked have already been answered, I apologize because we have had to run in and out of the committee. I would like to come back to the rationale of why you exist as a council, which I thought was to be part of what we were going to be asking here today, although what we have heard has all been very enlightening. My understanding is that when the council was created in 1984, you were to be reviewed at the end of three years to decide whether you should be sunsetted. Has your mandate been extended? Where do you sit with all that at the moment? Are you still sitting in limbo? I guess that question is primarily to Mr. O'Brien.

Mr. O'Brien: Yes, what you have said is certainly true. That is a decision to be made by the minister, and I suppose, the cabinet. We certainly have not discussed that matter and we do not really feel that we should be part of that discussion unless questions are asked, such as the question you just posed.



Mr. Mitchell: So on the basis of how you were created, you are basically sitting in limbo at the moment.

Mr. O'Brien: The sunset rule applies and certainly there has to be a new order in council extending our existence.

Mr. Mitchell: That review should have been done in May of last year, should it not?

Mr. O'Brien: No, in May of this year.

Mr. Ashe: May 17 of this year.

Mr. Mitchell: I am sorry; that is right. It will be three years this year. My mathematics were not correct. You do not know what is going to happen then, at this point?

Mr. O'Brien: No, we do not.

Mr. Mitchell: When you participated in or had the number of studies done that you have had--some of the work is very commendable--could you tell me how much outside staff and research people and so on you used, or did you use ministry staff to a great degree?

Mr. O'Brien: I am glad you asked that question. That is the question that we, from the documentation we received from your committee, looked forward to answering. We did use outside help, and in terms of the farm family income study, we used George Brinkman and associates from the University of Guelph. We also used Dr. Haslett, who is the former head of the economics branch of the Ontario Ministry of Agriculture and Food, as a consultant. But if you read that report, I do not think you will find any part of it representing the material they presented to us.

This distinguishes this council, possibly, from other groups. I would say 50 per cent of that material was resourced entirely by our own staff. The material we received from Dr. Brinkman, which was the resource material, was totally reworked by ourselves. We get virtually nothing from the ministry but statistics. We do not consult with them at all on a day-to-day basis because we are an independent group. We depend on our own resources and we feel we have excellent in-house resources in terms of our staff.

That is the reality of the situation and I think that is one reason we are well-received in the farm community. They realize that we are not just an agency that hires consultants to do work. We did the work. Every word of that was penned by our own staff and every paragraph worked over very carefully by this council, and 50 per cent of the material in that report did not come from any consultant. Mr. Veera, who is excellent in terms of working with the federal government, was able to access material that no one else has really been able to access, through his work in computers and that type of thing, and that is why so much of that material is original.

Mr. Mitchell: This is the family law in the farm community study you are talking about.

Mr. O'Brien: Yes. In terms of other studies, I will give you an example: As to that severance work we did, I can assure you there is no one else in this province that is even aware of that possibility. It was totally resourced by this council, and in promoting the brief we did on that, I have

never heard anyone even allude to it in all my experience in agriculture. That is using one example. Using the brief we have prepared and the pamphlet we did on family farm law and the implications of it, I am sure we are the only group that ever seriously considered the implications for agriculture and dealt with them in detail. We did that within two months of that act being proclaimed.

Mr. Mitchell: Could you please refresh me on the number of staff you have.

Mr. O'Brien: We have two. We have an administrator and a researcher--both of them do research and both of them write--and we have one other lady involved who is really a stenographer-receptionist, although very skilled in that field. With that resource base, we have been able to resource an incredible amount of material. The material is there. It is available if someone just accesses it properly.

I will give you a perfect example, the Canfarm material. When the University of Guelph and Dr. Brinkman went to get that material, the farmers said, "Hands down." There is no way they would allow their private material to be used. I sent out a personal letter on behalf of the agricultural council to the farming community. Most of them are familiar with both the council and myself. Almost univerrally across the province, they replied that they were prepared to let the agricultural council alone access that material, provided that we alone made use of that material.

Mr. Mitchell: I am going by some notes that were prepared for us, obviously, because we cannot be totally aware of every agency, board and commission that works within the provincial government, but in 1985-86, I understood you had two full-time staff, four contract consultants and a clerk. What work would those contract consultants have been doing?

Mr. O'Brien: The Brinkman team worked on the family farm study. We used another consultant for the section 178, that was the Bank Act amendments, and that consultant was Price Waterhouse. In fact, the individual we used was the same receiver who took over the Canadian Commercial Bank, which went into collapse. The gentleman you saw on television all the time is the same person we used because he is an expert in terms of dealing with the Bankruptcy Act. His account was a very small account but we wanted to use him to deal with some of the technical aspects.

Much of the input on that is from our own staff. The feature of this council, and I want to emphasize it as firmly as I can, is the in-house expertise we bring. We have talent in terms of our people that could hardly be paid for. Jon Grant and these people are extremely well informed. They bring--and in the past we have had others--expertise and knowledge to this council chamber without having to resource further beyond them.

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Mr. Mitchell: I am quite prepared to accept the point you make. I am looking at the curriculum vitae or the little notes that we have on each of you. I presume you did not know we had all this information. Although a small portion of my riding is rural, unlike some of my other colleagues who have a great percentage of their riding as rural, for my benefit I need a lot of the background information that is provided. As I say, reading the CVs or the little notes, I see that the people on the council are very qualified. In my mind, there is no question. Using that expertise probably saves a great deal of money that would otherwise have to be spent on--



Interjection.

Mr. Mitchell: Yes, go ahead.

Dr. Tanner: One thing that Mr. O'Brien did not say is that this is a working council. I assure you that we spend a lot of Saturdays, Sundays and evenings working.

Mr. Mitchell: You may be indirectly answering the wrapup question I was going to ask, which is not yet by the way. We have some rough figures of your 1985-86 budget that show salary and benefits of \$130,000. The rest of it is relatively small amounts: transportation and communications, \$30,000; services, roughly \$32,000; supplies and equipment, \$10,000. That hardly seems to me to be sufficient funds to have paid for many consultants. You mentioned two or three. Would their salaries be shown here? Where would they be shown?

Mr. O'Brien: The consultants show under the consultant work. The salaries are staff. I want to point out that I and the members of the council are strictly per diem.

Mr. Mitchell: I realize that.

Mr. O'Brien: The only salaries paid to our staff are three permanent staff and the rest is consulting fees.

Mr. Mitchell: Does the \$130,000 total involve your staff and the consultants or is it just staff salaries?

Mr. O'Brien: It would be basically staff salaries.

Mr. Mitchell: Where would the fees for consultants you hired in 1985-86, if any, have been shown?

Mr. O'Brien: Our total budget for 1985-86 was \$218,000. Of that, salaries and benefits amounted to \$118,000 and consultant and professional fees were \$38,000.

Mr. Mitchell: The consultant fee was \$38,000. Sorry to have put you to that work to try to locate it. As to how the council was created, I am going to read from section 5 of the Ministry of Agriculture and Food Act, "Upon the recommendation of the minister, the Lieutenant Governor in Council may establish programs for the encouragement of any branch of agriculture or food."

There are a number of ministry acts that include a clause giving the minister authority to appoint such boards and so on. I understand what you are saying about the expertise. Do not for a moment take what I am going to say as putting down that expertise because I think I know the way you are going to answer the question. The question in my mind is whether you were providing something that could logically have been provided in-house, within the ministry.

Mr. O'Brien: I will answer that by referring to our next study, which is the quota study. I think I am stating an opinion that is generally held from the minister's office through agricultural circles everywhere. That study was so delicate and so difficult that it could be entrusted to no other group but the Agricultural Council of Ontario.

The Minister of Agriculture and Food (Mr. Riddell) has said to me that he could not have turned that over to his department because it would not have been tolerated by the marketing boards. They regard our group as being independent enough to deal with that in an objective way--representing, as we do, all facets; processing, everyone--and to come up with a report that will be acceptable. We have visited every one of these marketing boards and all the other agencies in the province, both pro and con, and we have been received well everywhere. The common statement everywhere is, "We are pleased that you are studying this and we would entrust the study to no one else." That is the short answer to your question.

I can honestly say that we can do things no one else can do. Our primary mandate, which is what you have discussed for most of this day, is the long term. I do not have to tell you that people involved in government are so busy putting out today's fire that they really do not have much time to deal with the problems well down the road. We have the time to do that. We have the expertise to do that, and frankly, if we were not in place doing it, I do not think any other body would be doing it.

Mr. D. W. Smith: I want to make some comments and ask a couple of questions that I do not think are long. Supplementary to what Mr. Hayes said, I have heard those same complaints in my own area. From time to time I have difficulty following the banks. I do not think I heard many complaints when their two cousins out west got about \$1.3 billion from the federal government. I do not think they thought that was wrong for their cash flow, so I cannot always follow the banks in that area.

The one thing I keep hearing, and I do not know whether it has come out in this way--I want to hear your comments on this--is that a lot of farmers feel they are buying their inputs on an Ontario market, yet they are asked to sell on a world market. As long as that is taking place, there is no way we will ever hold the family farm. I do not know whether this is a planned scenario, because it seems so difficult to get some supply management into the two red meats that form a large part of our income, but I really wonder whether that is the basic problem.

Our inputs are controlled. There are tariffs at the border, say, for sprays. We have a regulated fuel economy, yet when we are asked to sell, we have to take the world price. Do you see that as one of the biggest problems we are up against? I do not know whether it is a fair question. It may be a comment more than a question but I would like to hear some further comments on that.

1520

Mr. O'Brien: Basically, you have put the major issue in agriculture today. If we had a policy in agriculture in the nonsupply-management sectors, it would be to follow the market price. Simply, there is no market price today for anyone who honestly wants to face the issue.

Possibly I can take sugar as the best example. In the Comecon countries, the price of sugar is more than 50 cents a pound and that is exactly what Cuba is paid for its sugar. The European price is about 23 to 25 cents maintained. The American price is 18 cents. The world price is less than seven cents. The Americans sold a large quantity of subsidized sugar to the Chinese for less than five cents. What is the world price? We have just discussed four prices in major trading blocs and they are all different, all structured.



With the European countries spending \$40 billion--\$20 billion to support subsidies and \$20 billion internally to support agriculture--and the Americans spending \$25 billion, to mention only the two major trading blocs, the market becomes so distorted that you cannot expect the Canadian farmer to survive in that very artificial marketplace without any help.

Until there is some other rationalization of that marketplace, such as through the General Agreement on Tariffs and Trade, so that we all actually create a level playing field, there has to be government intervention in the marketplace. Simply put, it is common sense, practical politics, no mystery to it and no economic theories. This is why I say the politicians as practitioners out there, will come up with the answers and will have to come up with the answers more quickly than the so-called traditional intelligentsia in agriculture.

Basically, this is the challenge and we have to find a marketing scheme in this world picture that is going to preserve both our agricultural community and our self-sufficiency in food. This is the issue we are addressing here today. It is complex and difficult. There are no easy answers.

I am not suggesting one particular approach to the problem, and I certainly want to make that clear. It may be supply management where you look to the marketplace. It may be government transfer programs such as we have now in Ottawa with the \$1 billion or with many of the other provincial programs. It may take the form of other programs that have been recommended, that in the rural community we look to welfare programs and other nonagricultural programs to support that community.

In any event, we have to develop programs that preserve a reasonable return for farmers in agriculture and people in agriculture, commensurate with the cost structure of Canada. Otherwise, they cannot survive. We cannot rely on the total, absolute illusion of a world market.

Mr. D. W. Smith: I was given the opportunity to go through one of the petrochemical plants. They gave me a short video on their operation. I wonder whether the trend had been developing for a few years that we were working towards an oil-based economy, whereas you mentioned earlier that Japan was an agricultural-based economy; fishing as well.

What I noticed in the video from the petrochemical company--I am not going to mention its name; it is legitimate and a big multinational--as I watched the products it develops, I could see that it is putting an awful lot of pressure on some of our agricultural industries. One, for instance, would be leather. I never did get a comment from them as to how much of the shoe industry they now have with vinyl shoes, for instance. That has to have a tremendous impact on the cattle industry.

You can think of other products. For instance, tiles used to be made out of clay and now they are made out of an oil-based product. I wonder if your group has looked into that in great depth or if you are going to be looking into that to see where the oil-based products are competing and will be competing much more in the future than they have been in the past number of years. I wonder if you are going to be looking into that.

Mr. O'Brien: We have not looked into that yet. It certainly is an area we could look into. It also reflects the very many changes that are taking place. Primary industry used to say the secondary industry was coupled to the primary industry. Now they are suggesting it is no longer coupled;

primary industry can be in a state of chronic depression continuously and both secondary industry and the service industry can continue to prosper in that climate, merely because primary industry represents such a small percentage of the gross national product.

We have to wrestle with these new changes that are taking place in our economy. It is important that we understand them and what they are doing--I think this is what you referred to--and be prepared to deal with them in terms of agricultural policy and social policy.

Mr. D. W. Smith: The only other comment I want to make is that I think the rest of society is really denied the dollars the farming community should have to spend. If they do not give the farming community enough dollars at the bottom--you can call that parity or you can call it balancing the different sectors--and if we do not get that back into place very quickly, I cannot see any future for the family farm. That is the way it appears to be happening in my community anyway and I do not think the Lambton area is having different times from a lot of other communities in the province.

As far as I am concerned, and I have talked with you and some of the other people, I think you are very well accepted by the farming community. I hope the minister sees fit to keep you going until you get your final project finalized.

Mr. Leluk: Mr. O'Brien, I would like to follow on Mr. Mitchell's remarks dealing with the studies your council has carried out. You mention that you have considerable expertise right on the council and you do not have to go outside. I take it these reports would have been provided to the Ministry of Agriculture and Food. How would they be received by the ministry? I am thinking in terms of in-house staff sometimes tending to be somewhat--I do not like to use the word "jealous," but there may be a rivalry when they feel the council may have acted without consulting them. How have these reports been received? Have they been buried or has the ministry acted on some of these reports?

Mr. O'Brien: I can break that into two. Our reporting and our presentations to the minister are of two types. One is short-term policy and one is longer-term policy. With respect to the longer-term policy, I do not think there have been any problems because we are providing reports such as the family farm income study that is really filling a vacuum. There was nothing out there. I think everyone appreciated that information, including the members of the ministry.

Mr. Leluk: In these reports, your council would have made some specific recommendations, say, for ministry policy. Is that correct?

Mr. O'Brien: Yes, although the recommendations often are not publicized with some of the reports.

Mr. Leluk: Yes, I understand.

Mr. O'Brien: The report is put out. Our role is just to provide, as we have discussed--

Mr. Leluk: You are an advisory body.

Mr. O'Brien: --information that is not otherwise put together. It is all out there. It is a question of bringing it together. For instance, the



impact of the chemical industry or pesticides on food or the safety of foods is something we well could undertake that no one else has done, for reasons you can understand. Maybe the agrifood business is not interested in proving its product is not particularly safe. What other group would undertake that study? So those are the long-term type of studies. The quota study is one of them; the income study is one of them and some of the other studies.

Then we do short-term material and there are many of those. We have been called in by the minister on an ad hoc basis suddenly, to help advise on certain policies. The Ontario family farm interest rate reduction program is one in which we had a big input. There, I honestly have to admit, I think sometimes maybe the ministry regards us as being a rival advisory group, and we are conscious of that.

We suggest that in our recommendations we actually bring a resource that some of the ministry people do not otherwise have. In other words, whether it is Peter Epp or any of our members who are coming from the field, they know exactly what is going on out there and I think that is a great advantage to the minister. They are located throughout all the farm and processing community. We can assemble a lot of facts very quickly. That is a great resource. The minister has certainly made use of that.

1530

Mr. Leluk: Would the studies your council has initiated be at the wish of the minister or were they done on your own?

Mr. O'Brien: No, entirely at the minister's direction. We might suggest something to be studied but we are entirely advisory to him and under his direction.

Mr. Leluk: So from time to time, the minister asks your council to look into a specific area.

Mr. O'Brien: I would say more than from time to time; frequently. Another advantage he has is that he can vet a policy with us. We represent a broad cross-section of the community and if he has something he wants to run by us to see our reaction--maybe a recommendation that has come from the ministry--he will do that. The policy is sometimes amended as a result.

Mr. Leluk: Does the minister meet with your council from time to time? How often would that be?

Mr. O'Brien: He meets periodically with the council, with groups of our council and with our staff. We do not try to set up a schedule. It is his business to call us in. I suppose that he is in contact with individuals on our council, myself or members of our staff, several times a month.

Mr. J. M. Johnson: I have three questions. One is on labelling of agricultural products. Your committee acts as an advisory body to the minister. Would there be some merit in trying to determine a better policy on labelling? Does this fall under the federal government?

Mr. O'Brien: Most of the problem is federal, to be perfectly honest.

Mr. J. M. Johnson: Would it be beneficial to agriculture in Ontario--in fact, in any province--if the labelling were stricter in determining the content? An example is the apple juice we drank this morning.

One of your people brought to my attention that while it says "made in Ontario" or "made in Canada," the only thing likely to have been made here was the plastic container. Could the minister possibly work with other provincial ministers to exert some pressure on the federal government to tighten up on the contents so they are properly labelled?

Mr. O'Brien: I agree with you. We have certainly discussed that matter and it was suggested that we look at it. I agree that labelling is very misleading and that the consumer is demanding better labelling. It is in the interests of buying a Canadian product. We have suggested that we look into it. It is a question of priorities.

Mr. Hayes: When we talk about labelling, there is another area that really confuses consumers. When they pick up a bag of apples, potatoes, chickens or whatever and it says "Canada Grade A," that is very confusing, because a lot of people go to the store and say, "That is a Canadian product," when, in fact, many are not. That is another area we should be looking at. I would like to see that taken right off.

Mr. J. M. Johnson: I mentioned that this morning. You were not listening to my submission.

Mr. Hayes: Did you? Obviously, I have learned to listen the second time.

Mr. J. M. Johnson: On a similar matter relating to the registration of pesticides, this again is a problem of overlapping jurisdictions. I understand that the Minister of National Health and Welfare and the Minister of Agriculture have control in Ottawa, and our Minister of the Environment (Mr. Bradley) is the lead minister here. We really have three groups trying to determine what is safe and not safe.

We have a further complication in that we allow imported foods that have been sprayed with pesticides into the country. For example, Mexico ships in fruit that is being sprayed with DDT, which has been banned in Ontario and Canada for the past 10 years. Is there not a lot of inequity there in that our farmers should be penalized? I do not advocate that we should allow any pesticides to be used that are a health hazard but, for example, if they can be used in Mexico and shipped into Ontario, and the same Ontario people eat them, who are we protecting?

Mr. O'Brien: I agree. I have made a note on a number of these considerations, and the one that flows out of your recommendation this morning is that there be a study of quality control in terms of the safety aspect. That recommendation is very timely in terms of what the consumer wants, and we are prepared to suggest that we look into that matter.

Mr. J. M. Johnson: Mr. O'Brien, I do not mean to be repetitious and, as I mentioned earlier, we will be addressing pesticides in the committee later in the week. I would like to see that the minister is aware of the tremendous duplication, and I am sure he has been made aware of it. We sometimes have to be repetitious to get the facts across. We either need a pure food act to protect all the food in the country, or else we have to be a little more aware of the problems we are encountering.

The other and last matter that I would like to bring to your attention is the waste disposal problem. I am vitally concerned about this, because it is an extremely complicated and urgent problem in the county of Wellington. In



the county of Oxford, I think it was nine years before they solved the problem of disposable waste.

I understand that 16 million tons of municipal waste are produced annually in Canada. There has been a thrust towards municipal incinerators and, as I mentioned this morning, Pollution Probe has come out against incineration. It claims it is creating all kinds of problems.

A release by the Canadian Minister of the Environment, the Honourable Tom McMillan, says there is an incinerator in use in Prince Edward Island that can reduce pollutants by 99 per cent. There are only two in the world; one in Prince Edward Island and one in Quebec.

If that is the case and there is that type of technology available, why would the Ministry of Agriculture and Food, the Ministry of the Environment and the Ministry of Energy not work with some municipality in Ontario to design and develop a type of incinerator that would solve this problem? For example, if it could solve the problem in Wellington, that is the same problem we have in Oxford, Northumberland and many other counties, and if we have to bury 16 million tons of municipal waste annually in Canada, we have to use up a lot of land.

If we could get energy from that waste, it would be even more beneficial. The Ministry of Agriculture and Food is not directly involved, but there is an indirect involvement, and every time there is a land problem, as happened in Oxford, the ministry certainly is involved. Do you have any comments on that?

Mr. O'Brien: It has come up and, as you indicated, the Ministry of Agriculture and Food is involved because the land used for disposal sites is generally agricultural land and because, in most cases, a clay base is needed. Quite frequently it is good farm land that is used, so it becomes a matter of concern for agriculture.

Again, it is something I marked this morning as an area we have not investigated. It has not been assigned to us as an area of study, but I think it is topical and we will certainly raise it as a matter to be looked at.

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Mr. J. M. Johnson: Mr. Mitchell took an approach a few minutes ago, and Mr. Tanner, you mentioned you worked a lot of Sundays on this committee. You will not get much support from Mitchell on that, because he is supportive of Sunday shopping.

I give you credit for having to work Sundays. I think, whatever staff you have now, you certainly are entitled to add more to it, because you have an extremely complicated and a large area to cover. In agriculture, there are no limits to its outer parameters. I do give you credit for what you are doing and congratulate you on your good work and thank you for appearing before us.

Mr. O'Brien: Thank you, Mr. Johnson.

Mr. Hayes: I would like to get back to the Farm Debt Review Board. It is a very brief question. I guess I could ask you, Mr. Epp. Are you familiar with the Manitoba Family Farm Protection Act that came out a couple of months back?

Mr. P. Epp: Just a little, I would not want to--I do not know enough about it.

Mr. Hayes: Are any of the other members familiar with that? I understand it was actually put in place to protect the farmer in that province, and there are a lot of conditions that the banks or the loaning institutions have to meet before they can even attempt to make a move to foreclose on a farm. That might be something that would be worthwhile for your council to review and look at. I do not have all the details, but the intent of it certainly sounds very good. How effective it is going to be, I am not particularly sure, but they have taken the initiative to say, "Hey, we have to stop this and truly try to protect the farming community."

Mr. P. Epp: The only thing I can say is the Farm Debt Review Board has been reviewed as late as two or three weeks ago, and Ontario was given a compliment--how should I say--that it was doing a fair job or a good job of reviewing the cases, which differs considerably from Saskatchewan or Alberta. That is about the extent to which I am familiar with the cases.

If I may, I would like to add one comment to Mr. Johnson's question regarding the pesticides. As you are well aware, Lasso has been removed from the Canadian market. Dual, as of last year, pretty well toed the line and was not going to increase the price. Because there does not appear to be any hope that Lasso is going to be licensed or renewed, Dual is going to take a jump in price to the tune of maybe between five and 12 per cent. We are not sure exactly how much.

The other side of the coin is that my fellow farmers across the river, whether it be Michigan, New York or wherever, are allowed to use Lasso. We will be bringing in those soybeans. We will be bringing in that corn and feeding it to our livestock. We will be utilizing it for human consumption.

I am pleased to hear that you, the legislators, are concerned. I will be honest with you. It is the first time I have heard a legislator state he is concerned that if it is used over here, we are going to eat it, but yet we are going to disallow our farmers from using it because it is against regulations.

I am firmly convinced, having been involved for the past 14 years in agriculture, that Ontario has the toughest legislation regarding chemicals, and I sincerely mean it. We are not using a third of what they are using across the river. We are not using even a tenth of what they are using in Africa or Mexico. We certainly, as an agricultural council of the agricultural community, would support any move that has been made by any government to say: "If you are allowed to use that, then please keep the commodity over there. Do not bring it over here for us, because our farmers are not allowed to use this."

I apologize for going back to that, but I could not leave this opportunity without adding that.

Mr. J. M. Johnson: Why can we not take advantage of that situation? We are not going to be getting a reversal in policy overnight, if ever, but why can we not tell the people that we are one of the most environmentally safe food-producing provinces in the world, and encourage people to buy our agricultural produce because of it?

Mr. P. Epp: I guess to be fair, we have never really practised running down someone in order for us to gain. We are such proud Canadians that



we do not want to hurt our neighbours, if I may use that phraseology. I think that is our biggest problem as Canadians.

Mr. Mitchell: Maybe we should blow our own horns once in a while.

Mr. P. Epp: I could not agree with you more.

Mr. J. M. Johnson: Let us sell it. We could do it in a subtle way.

Ask the people to inquire as to what other--

Mr. Hayes: Substances.

Mr. J. M. Johnson: Yes. We could certainly take an approach of selling our produce without being negative of the other party.

Mr. P. Epp: That is right. The statement made in that paper--I would like to see a statement made about apples that we import from Africa and the materials that they are allowed to use to spray their apples that would shock our people. If we have the governments behind us to put this on the front page of the paper, by all means, let us do it, because I disagree with that statement 100 per cent. There is not a safer country in the world as far as pesticides are concerned than this country of ours.

Mr. J. M. Johnson: One of the problems we have is competing with countries that have much more favourable climates. There are always pluses on each side. This is one plus that we have.

Mr. P. Epp: That is right.

Mr. J. M. Johnson: Some of those Central and South American countries will never take the care and concern that we are showing. This is one thing about which we can educate our people. If an apple costs a few pennies more, it is worth it.

Mr. P. Epp: I could not agree with you more, sir.

Mr. Hayes: Mr. Epp, you are saying that we in Canada are under very stringent controls as far as our environment is concerned in dealing with agricultural commodities. At the same time, our rules are not as strong in opposition to the imports.

Mr. P. Epp: Exactly.

Mr. Hayes: Let us keep these rules that we have, but let us be just as tough on imports as we are on our own darn product. I think that is the problem we have.

Mr. P. Epp: I always use the approach that I will play with the best players in this so-called international market, providing that herbicides, pesticides and money are all placed on the same plateau. I know we can out-produce anyone in the world, but give us the same chips to play that game.

Mr. Hayes: I have just one comment for the council. I have to admit that I was wondering a month or so ago as to why this committee was going to review the Agricultural Council of Ontario. I am very glad that we have. It sure does show that there is a lot of expertise.

I have not been here as long as some of the other members, but various

groups or organizations or councils that I have seen, especially the ministries, are very hesitant about maybe showing slight differences of opinion. I think it is very good that you are not all coming in here with one story and you are all going to stick to it--that type of thing. I found that very good and very helpful. I do appreciate the work you have done.

Mr. P. Epp: Mr. Chairman, if I may comment, the day that Gordon Hill and I disagree, 75 per cent of hell will break loose.

Mr. Chairman: We seem to have reached the end of our questioning, so I thank you all very much for coming out. You have been very helpful and very open to the questions, and we thank you very much.

Mr. O'Brien: Thank you, Mr. Chairman. On behalf of the council, I would like to thank you. We have really enjoyed the exchange.

Mr. Chairman: The committee is adjourned.

The committee adjourned at 3:50 p.m.



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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

LIQUOR CONTROL BOARD OF ONTARIO

TUESDAY, MARCH 3, 1987

Morning Sitting

STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Cooke, D. R. (Kitchener L)

Epp, H. A. (Waterloo North L)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Mancini, R. (Essex South L)

Marland, M. (Mississauga South PC)

Smith, D. W. (Lambton L)

Swart, M. L. (Welland-Thorold NDP)

Substitution:

Ashe, G. L. (Durham West PC) for Mrs. Marland

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Witnesses:

From the Liquor Control Board of Ontario:

Ackroyd, J. W., Chairman and Chief Executive Officer

Wilcox, D. F., Vice-President, Products/Distribution

Jackman, D. H., Executive Vice-President, Operations

From the Ministry of Consumer and Commercial Relations:

Gibbons, V. A., Deputy Minister



LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Tuesday, March 3, 1987

The committee met at 10:10 a.m. in room 230.

LIQUOR CONTROL BOARD OF ONTARIO

The Vice-Chairman: Gentlemen, members of the committee, the chair recognizes a quorum. On behalf of the committee, I would like to welcome you here this morning, Chairman Ackroyd, and the members of your board who are here with you. I hope the committee is enlightening for all of us this morning.

Do you have anything you wish to open up with, an opening statement, or would you like to address the committee directly in any way first?

Mr. Ackroyd: No, other than to say it is a pleasure to be here. As I understand it, it is some time since the Liquor Control Board of Ontario has been here. I know there is always a bit of confusion between the Liquor Licence Board of Ontario and the Liquor Control Board of Ontario. The press outside want me to comment on licensing matters. That seems to be one of the typical problems.

The Vice-Chairman: It seems we spoke about that just a few minutes ago.

Mr. Ackroyd: I think the ladies and gentlemen of this committee are well aware that we are charged with the responsibility of the purchasing of alcoholic beverages in the world, the warehousing and the distribution of those in Ontario. With just that general comment, I will try to answer any of your questions.

The Vice-Chairman: I understood that the minister had expected to be here, but I believe you mentioned that he was somewhat under the weather, so you were not quite sure.

Mr. Ackroyd: I was talking to the deputy minister last night at about 6:30 and she said he was not well and was not sure whether he would be here. The deputy minister, Val Gibbons, planned to be here.

The Vice-Chairman: Thank you. All right, Mr. Johnson is the first to have indicated that he wants to pursue a line of questioning.

Mr. J. M. Johnson: I have just a couple of things on the hiring practices of the board, pertaining to the retail LCBO stores. In the past, we, as politicians, have been accused of having too much to say in these policies. That may or may not be accurate but for every job that was open, if there were 10 people who applied, nine of them went to management. So it was not a political plus, and I would be extremely pleased if they never contacted a politician for it.

The way I understand it, an individual cannot get a full-time job at an LCBO store unless he works part-time for two, three or four years.

Mr. Ackroyd: Basically, the hiring policy is that we do have about

2,000 temporary employees. Some of those would be in stores where they would never want a full-time job. In a small community with a manager and one part-time employee, that man or woman is quite prepared to remain as a part-time employee. As a general philosophy, we try to fill our full-time jobs in our stores and in our warehouses from our part-time complement. Under the contract with the union, we must pick the senior, most qualified person. Basically, what we have been doing is running interview panels in each of the five districts in Ontario, interviewing the people who are interested in moving from part-time to full-time, and based within that criteria of the union, choosing the senior, most qualified person.

Mr. J. M. Johnson: In one way that looks like a sensible way, but in another way it is creating a real problem for people who want to obtain employment in the LCBO. How can you expect an individual to take part-time work for two or three years to get his name on a list so he can get into the store?

Many people who want to work in the store are denied the opportunity because, financially, they cannot afford to work part-time for two, three or four years. I understand what you are saying, but many of my constituents who are looking for this type of work cannot work just part-time. You disqualify a lot of really good people and end up taking a lot of people who are getting up into semi-retirement years. Many of the smaller stores are pretty well staffed with individuals who are well over 50, for that reason. Those are the only people who can afford to work part-time.

Is that not something that has been brought to your attention; that there is a concern?

Mr. Ackroyd: Yes. I think that issue has been brought up; that there is a concern. I think that, in the discussions with the union, everybody is well aware that there are 2,000 people out there as part-time people. I do not know how many--I could not give you an exact figure--of those 2,000 would be interested in full-time jobs. We had a competition in one of the districts. I think there were 180 part-time people in that job. There were some 25 selected to appear before a selection panel for 15 jobs. They may hold those selection panels every two or three months.

It is difficult to look at the solution to the problem you raise if you look at it as the cost if you did not have part-time employees, because there are many stores that require additional help on Fridays and Saturdays when we are extremely busy. At one time, our small stores in communities would close at noon so that the store manager could do his banking and take his breaks and his lunch hour. The community complained, so we made sure there was a part-time employee in every store to relieve that manager on his lunch hour, his banking time and his breaks. That meant paying the part-timer somewhere in the neighbourhood of three or four hours per day under the contract, so we kept that part-timer in that store every day for that period of time.

Mr. J. M. Johnson: I accept what you are saying and I realize that part-time people have to have the opportunity to advance; it is only sensible. At the same time, we do have a problem of getting good people into the stores, because they just cannot go through the part-time route. One type of solution might be that so many jobs--50 per cent or some figure--would be part-time promotion and 50 per cent would be people coming in with whatever qualifications they would have to offer to the board--because I do think there are many younger people out there who made the opportunity to get into stores like that.



It is my understanding that after the war, the veterans in the Canadian Legion had the first opportunity in most of the stores. My part of the country has been served for many years by veterans through the Legion. That made sense. That was good policy. Now it is 40 years, and we are getting to the point that there would likely be a lot of replacements coming up. I think the board should take a look at the problem I have brought up, because it is one very serious concern that I have heard expressed. People are being denied an opportunity to work in an LCBO outlet because they cannot afford to work part-time for that period to become candidates for the job.

Mr. Ackroyd: The only comment I have on what you have raised is that if you have 2,000 part-time people there--and let us assume 1,000 of them would like to become full-time employees--they are competing for those jobs. As I said, to a great extent seniority would be the key to moving into those jobs, provided those people are the best qualified. I am not sure of any simple solution to this. If I came back to this committee and said we were going to make all 2,000 people full-time, the cost could be astronomical.

Mr. J. M. Johnson: I have just one other--

The Vice-Chairman: Mr. Johnson, if I may interrupt your questioning for just a moment. We have been joined by Val Gibbons, the Deputy Minister of Consumer and Commercial Relations. I would like to welcome you. I understand you do not have a statement or anything you wish to introduce, but if you feel you would like to jump in, please do. We are recording right here so they can see the faces immediately. It is not as if you were upstairs.

Miss Gibbons: Thank you. My apologies to the committee for being late.

Mr. J. M. Johnson: I have just one other question at this time. The other day when I was driving through Durham, I noticed that the colour of the sign in front of the LCBO store was changed to red and white. All the store signs have been blue and white. Is that a new policy?

Mr. Ackroyd: Yes. It is burgundy and gold. I guess nearly two years ago, we started on a program of changing the face of the LCBO. We did it internally and we talked about doing it externally. As you know, our first step was to change the name of the rare wine store--and there was only one in Ontario down at Queen's Quay--to "Vintages." We created a new profile of a burgundy and gold sign. We have now built five of those and are opening a sixth one in London, Ontario, some time in the next two months.

Then we decided that we would change the face of the LCBO externally as well. We designed a new corporate logo, which I am wearing on my lapel as a pin. It is on the front of this year's annual report. We went to the Minister of Consumer and Commercial Relations (Mr. Kwinter) and the policy and planning people and presented a number of options on changing the stores. The decision was to continue with the burgundy and gold, continue with the words "liquor store" and put on our corporate logo. That was a decision that we recommended to government, the government approved of, and we did.

Mr. J. M. Johnson: What is the cost involved in the change?

Mr. Ackroyd: If we were to do it all at once, it would be extremely high. I am not 100 per cent sure of the figure, but I think it is estimated in the neighbourhood of \$9 million. It is not our intention to do it. Our intention would be to phase it in as new stores are opened and if signs are





broken or damaged and have to be replaced. We are not doing it as an increased cost to government. You are not going to see 610 stores converted overnight.

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Mr. J. M. Johnson: Remember that, Mr. Epp.

Mr. Epp: I will.

Mr. J. M. Johnson: The uniforms are being changed as well.

Mr. Ackroyd: Yes, sir.

Mr. J. M. Johnson: They used to be blue, and now they are kind of beige-brown?

Mr. Ackroyd: They are a beige with our new logo on them.

Mr. J. M. Johnson: A major change.

Mr. Ackroyd: Yes, sir.

Mr. Leluk: All that tax revenue.

Mr. Ackroyd: On that point, Mr. Leluk, I really do not feel I am spending additional taxpayers' dollars, because they get additional shirts each year, so again, as their shirt complement comes up, they will get a new shirt. You will see a phasing-in period. There is no intention of spending excessive government dollars.

Mr. J. M. Johnson: One last point: A number of the people in the stores are not too happy with those two little holes they have above the pocket for some reason. They have to put their name tags or something there. It just does not suit. Maybe you should check that one out.

Mr. Ackroyd: I will look at that, but I guess I strongly feel that I think the customer going into our store likes to look at the name of the person he is dealing with. I do not know if you agree with me, but I am very strongly in favour of that.

Mr. J. M. Johnson: I think it is the position of it or something that seems to create a problem.

Mr. Ackroyd: All right, I will take a look at that. Thank you.

Mr. Ashe: That is to hang your Iron Cross on.

Mr. D. W. Smith: I have a short question here to start with. Maybe some other questions will develop. We hear a lot of talk of taking the products from South Africa off the shelves. I just wonder how many dollars worth of sales you actually do from products from South Africa. Is it a big part of your business, or does it amount to very much at all?

Mr. Ackroyd: I am going to hazard a guess, and my staff are behind me. I recall once getting the figure, and I am not sure whether it was the figure of our total stock or our sales, but somewhere in the neighbourhood of \$11 million or \$12 million a year comes to my mind of sale of South African products. I am not 100 per cent sure. If you want me to clarify that, I will





be willing to get the actual sales figures from that country, but I think it is in the neighbourhood of \$11 million or \$12 million a year.

Mr. D. W. Smith: On a percentage basis, it does not amount to too many dollars then?

Mr. Ackroyd: We sell in our stores in the neighbourhood of \$1.6 billion to \$1.7 billion, so you are talking less than one per cent--one half to three quarters of one per cent.

Mr. D. W. Smith: I asked this question because we hear so much of it in the news, or we did hear so much of it in the news.

Mr. Ashe: You were not here yesterday.

Mr. D. W. Smith: I really wonder how much effect it is going to have on South Africa. I am trying to decide that for myself, I guess. Are there any products now on the shelves, or has everything been removed at this time?

Mr. Ackroyd: To the best of our knowledge, and we have a report every week from every stores, as of last November, we do not have any South African products in our system.

Mr. Leluk: I take it that all these products have not been sold. Are they in storage?

Mr. Ackroyd: No, they were sold.

Mr. Leluk: They were all sold off.

Mr. Ackroyd: Yes. We have a policy at the liquor control board that when you reach a certain volume, I think something less than 20 bottles per store, we can go to a 20 per cent discount and sell off the products. There was a cabinet minute approving of this when we got to that figure to go ahead and place South African products on sale and get rid of our final stock. That was done last fall. As I said, the complete stock was depleted by November 1986.

Mr. Leluk: On that point, I recall when I visited one of your stores there was a sign saying your LCBO outlets do not stock South African wines. Do you think it was necessary to distribute those in the store once the policy was set that these wines would not be sold? Did we need to have those signs posted?

Mr. Ackroyd: I think what we wanted to do was to communicate to our shoppers the decision of government that we were no longer ordering further South African wines and when the stock was depleted, they were gone. I believe that was a part of our mandate when the decision was made by government to no longer purchase South African products.

Mr. D. W. Smith: I am going to ask a question on the ethyl carbamate. Maybe it is not in the news anymore. Is that--did somebody say something?

Interjection: Every once in a while I check to see.

Mr. D. W. Smith: Oh, I see. I was just wondering from where we were coming. Are all the problems solved in that area and are all the guidelines in





place, now that we know what we can allow or should allow?

Mr. Ackroyd: The standards that were set by the federal government are all in place across Canada. We at the Liquor Control Board of Ontario have now tested every product that is on our shelves and in our warehouses and we will be testing each before it is released to make sure it falls within the federal health and protection branch guidelines on ethyl carbamate.

Do you want me to expand on the Osler Royal Commission of Inquiry into the Testing and Marketing of Liquor in Ontario that made some 21 recommendations?

Mr. D. W. Smith: If you would.

Mr. Ackroyd: We had implemented 18 of those before His Lordship's report came down. There were three outstanding, and two of those we immediately implemented. The recommendation that did take some time was a recommendation of His Lordship that we have a national body or committee to look at some standardization of things that are in products, for instance, that are not covered by the federal health protection branch, such as the amount of copper in Armagnac. Each liquor board in Canada may have a different standard.

We have now had a meeting with the federal authorities, the 12 liquor boards in Canada and the trade. A contaminant committee or a committee on quality standards has been formed. The first meeting will be held in about two weeks in Manitoba. The chairman of the Liquor Control Board in Manitoba has agreed to chair that committee, and we will be dealing with that recommendation. As I say, His Lordship's recommendation was that the committee be set up, and that has been done. The terms of reference have been struck for the committee, but they have not had their first meeting.

Mr. Leluk: I am a pharmacist by profession, and I know something about chemicals. I understand that when the issue of the ethyl carbamate came up in the House, when the minister raised the question, the levels were so low in the wines that were in stock that they were really of no potential hazard to the public health. Do you concur with that, or do you care to make a statement on that?

Mr. Ackroyd: I am at a disadvantage, Mr. Leluk. I am not a chemist or a pharmacist. Let me make this comment. At the time this was disclosed, I think the highest reading on the product was in the neighbourhood of 27,000 parts per billion. If you recall, Dr. Smith at that time equated that the danger level might be to consume somewhere in the neighbourhood of 55 bottles of that per day.

Mr. Leluk: That is right. That figure stands out.

Mr. Ackroyd: I do not think that was covered very well in the press as to the degree of the danger here. Nevertheless, the federal government made a decision, based on its research, that the table wine standard would be 30 parts per billion in Canada, and I cannot defend that. It defended that at the royal commission. It gave its reason for setting it at 30 parts per billion. It is quite prepared, I think, over time to review that, but it has not decided to make any change on it at this time.

Mr. Leluk: A major concern was, and I was wondering, if possibly the public was being unnecessarily sort of alarmed because of the press on this particular issue at the time.





Mr. Ackroyd: I share your views on that, Mr. Leluk. I approached some of the publishers of newspapers in the city about the publicity and to send out a message, I think, that would more clearly indicate the medical hazard with which we were dealing. Most of the newspapers called me back and said they could not get an agreement in the medical profession that would support changing their position. I share your view, but I do not know what else I could have done about that.

Mr. D. R. Cooke: I just want to clarify one thing. You did feel that it was a sufficiently serious problem that it needed to be brought to the attention of the minister?

Mr. Ackroyd: I think I had no other choice. The minister had directed me to put out a directive immediately to the effect that if there was anything found in any product that could be a health hazard it should be brought to his attention immediately. I did put out that directive and the result of putting it out was that the next day, I had letters on my desk indicating that this had been known for some five or six years. I believe they had reported it two years before to the federal government and no action was taken; nevertheless, they had known about it. There had been a file kept on some of the research in this area and it had not been publicly disclosed. I took those two letters immediately to my minister.

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Mr. D. R. Cooke: Until you received those letters, you were not aware of the ongoing file.

Mr. Ackroyd: No, I had never heard of the file and I did not know what ethyl carbamate was, to be quite frank with you.

Mr. D. R. Cooke: What steps have you taken to ensure that in a situation like this in the future, evidence of this sort will not be suppressed?

Mr. Ackroyd: We have made it very clear to the director of the laboratory that he is to report anything of this nature. He has the directive I wrote that if anything comes to his attention that could be a potential health risk or concern, it should be brought to any member of the executive board immediately, even if I am not there, so that we can alert government officials. The testing procedures are in place now and the royal commission recommendations have been implemented. To the best of my knowledge, I cannot think of anything further we can do. As you know, it was an extensive royal commission. It looked at making sure. The federal health authorities are very concerned about this. As Mr. Leluk has pointed out, it came down with some very rigid standards.

The Vice-Chairman: We are getting a lot of supplementaries. If we can, let us try to keep it to the individual questioner. Make notes if you wish. I would rather cover the ground twice.

Mr. D. W. Smith: I just want to finish this off and then someone else can ask questions. Is it not a fact that in all alcoholic beverages there is some percentage of this ethyl carbamate? I do not know; I am just asking the question.

Mr. Ackroyd: We have been told that in all probability it is a natural thing that will occur in the fermentation process. I understand--again I have a variety of opinions--that in all probability it is almost impossible





to measure it below certain levels. I have heard 10 parts per billion and I have heard a little higher. In all probability, if no instruments will measure below 10 parts per billion, we may never be able to answer that question because there may be a reading of four or five parts per billion that you cannot detect. We know that we can calibrate it down to some very small, minute part. I do not know whether David can help. Do you know the lowest we can read on a mass spectrometer?

Interjection: Not below 10.

The Vice-Chairman: If you are calling on someone to answer or assist, would you ask them to come to one of the microphones?

Mr. Ackroyd: Okay. Maybe I can clarify what he has raised. We do not have any knowledge of being able to measure below 10 parts per billion and I understand that is the world health standard for soda pop.

Mr. D. W. Smith: If we do not drink more than 55 bottles, a day we are not too apt to be suffering from it. Is that what I am hearing?

Miss Gibbons: Something else will get you first.

Mr. D. W. Smith: Yes, I would think so.

Mr. Hayes: Mr. Smith raised the question dealing with South Africa, but he used it as a dollar figure. What is the LCBO's policy now regarding the importation and the sale of liquor from South Africa?

Mr. Ackroyd: We have not placed an order with South Africa since, I believe, August 1985. Those stocks were depleted in November 1986. There was also a government decision that we would not allow any private stock ordering, so the bottom line is that we do not purchase anything in the way of alcoholic beverages from South Africa.

Mr. Hayes: There is no purchasing now and there is nothing in stock.

Mr. Ackroyd: No. If you recall, there was some press that some arrived in the fall of 1985 at the port of Toronto. We had to accept the orders that had been placed up until August 14, 1985. If they had been bottled, put in cartons and addressed to us, we accepted those shipments. It was some two or three months after the ordering was cut off that the final products arrived in Ontario.

Mr. Hayes: In the year ending March 31, 1984, your operating expenses in the category of fixed assets were \$44,293,000. In the following year, this figure dropped to \$7,176,000. Can you tell us why?

Mr. Ackroyd: That was the construction of the Durham warehouse. It was built over some two and a half years to three years. The cost came in around \$5 million below budget, but still in the neighbourhood of \$95 million. The expenses going into the construction of the Durham warehouse dropped off that year.

Mr. Leluk: Back in January, the Liquor Control Board of Ontario came under some fire from a provincial court judge, Derek Hogg, who accused the LCBO of being run in a "slap-hazard and unbusinesslike manner." You were quoted in the press as saying that you felt these comments were well deserved. Was that a misquote? Do you feel that way? If so, can you tell us whether this is, in fact, true?





Mr. Ackroyd: I do not recall using the words "well deserved," but I think I made it very clear and was accurately quoted in one paper when I said that from the standpoint of some of the administrative comments he made, he did not bring anything to the attention of the management of the liquor board that it was not aware of. My reason for saying that was that some of the actions we had already taken or were taking seemed to substantiate what he said.

We had just borrowed from the deputy minister a senior administrator on a two-year secondment to take over our administration. We had already gone to tender on a point-of-sale system because of His Honour's comments to the effect that, other than running the cash register tapes and so on, we would not know what was sold in the store at the end of every day unless we did an inventory. We did not have daily the kind of detailed data he felt we should have.

He was very critical of the warehouse and the shipments from the warehouse to the stores. His criticism is valid because as I said, we put up a \$95-million warehouse. I have talked to people who built Canadian Tire buildings and large warehouses for a distillery and we are having the same startup problems they had. We have had a firm of professional engineers come in, Hill Industrial Engineering, which has given us a number of things we must do to improve the warehouse. We are going through those growing pains.

We are already out to tender on consultants to come in and look at our financial accounting and auditing systems. It was hard to say the judge was wrong on many of the things he raised that we were tackling as problems ourselves. In that respect, I decided it was not wise on my part to say "I do not agree with Judge Hogg." I just took it on myself to say, "Yes, we are aware of some of the issues he has raised."

Mr. Leluk: Allegations or comments were raised during the trial that took place that the 610 liquor stores in the province were all experiencing shortages and losses, and there was talk of theft. According to the Provincial Auditor, liquor, colour television sets and typewriters were among millions of dollars of government property that was missing and may have been stolen. Is that something you people know to be true? If so, what is being done about it? Would you tell the committee what has happened?

Mr. Ackroyd: First, I think you have to put it in perspective. I think I have most of the figures in my head. If you look back over the last five years, one of the worst pictures we have had is about a 0.25 per cent loss figure in our stores and warehouse at one of our peaks. We have had some peaks and valleys. Last year we were down to about a 0.22 per cent loss in our system. Some of that can be from theft. By the way, that figure includes breakages, shortages and what we believe is stolen.

Of course, the staff indicates to me that one of the bumps that came and increased this was when we left the old conventional store where we could control every bottle in a document. I assume nobody in this room would want to see us go back to where we had to fill out slips and line up at a teller and put it through a wire cage. I think that would take us back almost to the Dark Ages. There is no doubt that when you go to a self-serve store, you are going to have an increased incidence of theft. As I say, we did have some, about one tenth of what other people in the retail business experience. I think our theft problems are minimal, but we do have some.

As far as what we have done about it is concerned, we have right now a





staff sergeant from the fraud squad, who has been on loan for two years, reviewing our security. We have just hired a retired Metro intelligence officer and a retired Royal Canadian Mounted Police officer to increase our security. We have gone to the videotaping of people of whom we are very suspicious of stealing at our cash registers. We have recently had two court cases. In one of them, you can watch a clerk at the cash register steal \$710 in one day. It is very interesting to watch.

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Mr. Leluk: Is this what they call sweethearting in the tray that you were referring to? The person at the cash register rings up a different price than the price of a bottle?

Mr. Ackroyd: That is part of it; or his favourite customer goes through the store and he rings him up for a small bottle when he has a large bottle and changes the product number. All those things fall under sweethearting at the cash register, which is common in the retail business.

Mr. Leluk: I do not have this as a quote, but it was said that you intended to get tough with dishonest employees. Is there now a policy in place? If you catch people who are conducting this sweethearting in the tray or stealing from the warehouse or retail stores, what happens to these employees with this get-tough policy?

Mr. Ackroyd: Again, I am misquoted there as far as I am concerned. The way that came out was that at the close of one of the press conferences, there were reporters from one television station and three radio stations in the room. I did not think this issue was going to be raised, but then the reporter from the TV station put the question to me, "Is this the end of our hearing of thefts in the liquor board or are we going to be reading about something next week?" The previous day, I had looked at the films, the one I just mentioned and another film in another store outside Metropolitan Toronto that I reviewed with some of the security staff. Really, what I turned to the press and said was, "In all probability, my experience with you will be no different from the 15 years as a deputy chief and chief in Metro. We never got any credit for ferreting out and catching a bad policeman. We always got criticized and looked at as more dishonest police officers. I suppose the same thing is going to apply here."

We feel strongly that maybe 95 per cent or 97 per cent of our employees are very honest, hard-working, dedicated people. That does not mean we cannot have a few bad apples. Our staff is certainly going to make every effort to find them, get the necessary evidence, call in the police and charge them. That is my position.

Mr. Leluk: Will they be automatically dismissed from their employ?

Mr. Ackroyd: They could be. I think it would depend on the circumstances, but some of them are. Anybody who is charged with theft is dismissed.

Mr. Leluk: That is all for the moment.

Mr. Ashe: I was not going to start with this one, chief--you are still chief, one way or the other.

Mr. Ackroyd: Old names die hard.





Mr. Ashe: It was chief before; it is chief again.

In this theft area, obviously, the concentration is on the area of staff. I noticed that in one of the court cases you spoke about, there was an involvement of one of these service trucks or whatever. Is there a policy or a directive to store managers if they catch a customer stealing, which I presume is part of the overall theft problem, particularly with mickeys, where I suppose it is relatively easy to stick them into a pocket? Is there any general policy to say that if you catch somebody you are to notify the police and not just be a nice guy? Is that up to the discretion of the manager?

Mr. Ackroyd: When I first arrived, that was one of the questions I got a legal opinion on from the government. It even went so far as, "When they make a citizen's arrest, under the Constitution, do our own employees have to read him his rights?" They do. The rights have been posted at the store, so if a manager or an employee makes a citizen's arrest, he does read him his constitutional rights under the charter and holds him for the police. Our policy would be that if you have caught a shoplifter, you would do that. You give him his rights under the Constitution and phone the police.

Mr. Ashe: So it is not meant to be discretionary to the local manager. That is policy.

Mr. Ackroyd: No. The discretion then rests with the police, whether they lay the charge or not based on the evidence.

Mr. Ashe: Is that posted? In many stores you will see that in the event of theft or what have you, "We will prosecute to the full extent of the law," or something like that; shoplifters.

Mr. Ackroyd: I am not 100 per cent sure of the answer to that question. I have seen in some stores signage saying, "Shoplifters will be prosecuted," but I cannot honestly tell you--

Mr. Ashe: It should not have to be but in some stores it is kind of an obvious thing.

Mr. Ackroyd: We have had posters put out by the Retail Council of Canada and we have supported that program. I have seen those signs but I am not 100 per cent sure, Mr. Ashe, that I can say they are in all our stores. If you want me to find out, I can, but I do not know.

Mr. Ashe: It is no problem. I will have a look the next time I am in. A few moments ago, you mentioned the situation in Whitby and the warehouse. As you know, that is in my constituency. How up to total efficiency is it now? Is it about two years behind schedule of coming up to that level? What were some of the problems in your view? In hindsight, and I appreciate hindsight is always much easier, what went wrong to make it that bad? Frankly, that is the perception there that I hear from time to time, that it was that bad. If you recall, in the original building schedule, there were about nine months to work out the bugs after it was done and that ended up being just a drop in the bucket, so to speak, in terms of working out the problems.

Mr. Ackroyd: I can answer that question in generalities, but because Mr. Wilcox, the vice-president who worked on that warehouse from the beginning and who is working with the engineers is in the room, would anybody object if I brought him to a mike and let him answer?





Mr. Ashe: Please do. I think I have had one or two conversations with Mr. Wilcox over the years.

Mr. Ackroyd: I think Mr. Wilcox would answer it much more accurately than I. I would talk in generalities.

Mr. Ashe: I think it is important to get it on the record. We hope to hear a positive message.

Mr. Wilcox: Certainly, I am going to tell you some positive news. To go back in history a little bit, the construction schedule for the warehouse proceeded pretty much on target until we got to installing and debugging the computers. It is a very sophisticated warehouse. It is one of the most sophisticated, in terms of computer control and computer interaction with our employees, in Canada and perhaps in North America.

The three contractors we had working on the computer systems had put together a schedule for integrating the interfaces between the various computers and it was at the start of that process that we began to experience some significant delays. We had two test processes set up to ensure the integrity of the warehouse itself. During the exercising of these two test processes, I believe we expanded to about a year in total in terms of delay. The warehouse should have been operational in September 1984. In fact, we began operating it in September 1985. We operated from approximately September 1985 until February 1986 utilizing a facility that we had leased on Kipling Avenue. We closed that facility in February 1986. We were completely out of all our leased warehouses in the Toronto area in March of that year and we were fully operational in the Whitby warehouse from that time.

We now have experienced almost a year's uninterrupted operation of that warehouse, during which time our efficiency has moved from about 40 per cent to 50 or 55 per cent. The debugging of the computer systems has gone on, I would say, reasonably well. We are now in a situation where the learning curve for the employees involved is the limiting factor in getting our efficiency up to the high 80s and low 90s which, I think, is about the best we could expect from a warehouse of this nature.

We have had a number of operational problems with respect to receiving stock into the system. This is the major storage warehouse for the province. Through the audit we commissioned last September to identify shortcomings, we have recognized that we have peaked in terms of the number of listings allowed for in the province and that several aspects of the equipment were, in fact, working at pretty close to capacity.

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In that regard, we have reviewed the way we are operating the warehouse and are making improvements vis-à-vis the auditor's report, and we have seen the fruits of that. In the last month, the amount of stock we have been delivering to our stores has increased dramatically to what I consider a very acceptable 99 per cent of what was asked for. To increase our productivity to the goals I am looking for, the issue is to get the ability of all our employees to operate that warehouse effectively up to the same level. We are working actively on that at this time.

The past year and a half to two years has been a very difficult time for the distribution group, but I believe we are seeing the light at the end of





the tunnel. The auditor's report indicated that there was no physical reason we cannot operate that warehouse as it was designed.

Mr. Ashe: is the main problem area, particularly in the past year when you were trying to raise the efficiency rate, in the context of stock coming in and not computing it correctly or not putting it in the right place? Is the problem that you press the button for 10 cases of Canadian Club for store 27 and it ends up with five cases of vodka? Where have the main operating problems been or is it that it brings five and drops five?

Mr. Wilcox: It has not been dropping five, not particularly regularly. The problem has been to get the various components working together properly and have the staff recognize that. Maintenance on our equipment is very important. If you have a certain piece of equipment go down it affects your productivity. Another issue is having people recognize when a problem is occurring and what actions they have to take to minimize the amount of time you lose because of that. We had to learn how to operate the warehouse properly.

Our maintenance staff, our foremen and our warehousemen were going through a learning period. There were still problems to be debugged in the physical plant and in the computer software. We are fairly comfortable that the computer software is running at about 95 per cent of what it should. In any computer system that has been developed, getting the last five per cent of the problems identified takes a considerably long time. They do not always show themselves in the same way twice.

In terms of the management of the warehouse, we have gone through a learning period. I believe the last Christmas period took us from one plateau to another in terms of being able to operate the warehouse, to recognize how to get around problems and forecast problems before they become serious and to take corrective action. It has been a man-machine interface and learning experience that I would say has been the thing that has limited us in the past six months.

Mr. Ashe: How has the warehouse been operating, again comparing it to the initial projections of staff components as to the way it could operate? As I recall, and you can correct me if I am wrong, the projection was that there would be an ongoing staff after construction of about 200 to operate that plant. How has that worked out? Has that ended up being a projection that was high or low?

Mr. Wilcox: The projection was fairly accurate. We have gone with a staff of about 176 full-time employees. In our current budgeting process we have asked for another 30 employees, so we will be just over 200 employees, which I believe is close to the design forecast. We have been fairly conservative in terms of adding employees into the warehouse to ensure that we are not putting more people in than are really necessary to operate it. We have been using a considerable number of temporary employees to make up that slack. In the course of the next two to three months we will be adding another 30 employees to our regular staff there. I believe we will be pretty much at the operating complement that we forecast.

Mr. Ashe: In the various reports from the auditor, in the court cases and so on, they always talked about theft from public warehouses. Is that in the context of just the leased ones or does that include Whitby? I





could never quite understand what they were usually referring to when they said "public warehouses."

Mr. Wilcox: Let me take you back in time a bit. To answer that specific question, "public warehouses" refers to the leased facilities we had in Toronto. While we were designing and building Whitby, we were leasing a distribution facility on Kipling Avenue. We were in three other public storage facilities in Toronto to store our product on an in-and-out basis. The major criticism we enjoyed in this regard had to do with the operation of the Kipling facility during the time we were bringing the Whitby facility on stream.

Unfortunately, when you bring on a warehouse as complex and complicated as Whitby, you have at the same time to continue to service the stores in your region. We did not have the luxury of being able to take the staff off to one side, train them in the operation of the warehouse, get the bugs out and then bring that warehouse on stream. Instead, we found ourselves in a position where we were operating two warehouses. We were operating our Kipling facility and bringing our Whitby facility into line. This necessitated that we move most of our full-time staff out to Durham to effect their training in the facility, and a large number of part-time workers were working in our Kipling facility. Supervision at the Kipling facility as a result was not as strong as it would normally be and we enjoyed some--perhaps enjoy is the wrong word.

Mr. Ashe: Somebody enjoyed.

Mr. Wilcox: We experienced some loss of product. We worked very closely with our security people and the member of the police force we had seconded in that warehouse to identify where we were losing it. As a result of our warehouse staff and security people, we charged, I believe, three or five people with theft. We also dismissed another three temporary people we caught walking out with product. They were charged as well. We were doing some investigative work but found ourselves in a very difficult position moving between the two warehouses.

We have our own security force on site in Whitby. Other than some problems with some contractors earlier on, who were borrowing some product for whatever--

Mr. Ashe: Taste-testing.

Mr. Wilcox: Very much so. To my knowledge, we have a very good control over product and people's access to it at Whitby.

Mr. Leluk: I have a short supplementary.

Mr. Ackroyd: Can I make one comment?

Mr. Ashe: Yes. Maybe you will include--my last question is maybe what you are going to say anyway.

Mr. Ackroyd: I am not sure the press put it out very accurately. The only thing I want to clarify is the Provincial Auditor's report. Those three public warehouses plus Kipling had not been audited for two years. We were able to account for all the approximately \$700,000 worth of missing stock over the two years with the exception of about \$75,000 worth. The question that seems to be bubbling publicly is, did the five people we arrested in the warehouse steal the entire \$75,000? Of course I cannot answer that. We know





they stole a considerable amount. Two of our employees were working with a catering-truck manager. We only know what they admitted or what we recovered. We have to assume they stole more than we were able to prove or charge them with.

This should clarify that over the two years, the total amount we believe was actually stolen could have been in the neighbourhood of \$75,000 out of the approximately \$700,000 reported in the Provincial Auditor's report.

Mr. Leluk: I want to get a clarification. In the auditor's report, when he spoke of the liquor, colour TVs and typewriters, I take it that only liquor was found missing from the LCBO stores.

Mr. Wilcox: We do not have any knowledge of colour TVs or typewriters going missing.

Mr. Leluk: I take it that was in other ministries.

Mr. Ackroyd: Was it not Judge Hogg who made the comment? I do not know what context that was in.

Mr. Leluk: I just want a clarification. It is just liquor we are talking about.

Mr. Ackroyd: Yes.

Mr. Ashe: I do not know whether Mr. Wilcox or the chief wants to answer this. As part of security, is it policy that from time to time on a random basis, either in the stores, or more important, I guess, in the warehouse, there is a physical search of employees and what they are leaving with, whether a lunch bag, garment bag or whatever? Is that part of the security? I say from time to time rather than every day.

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Mr. Wilcox: In Whitby, we exercise the right to search an employee at random if we so choose. However, with the way we have established the physical layout of the warehouse, the employees are not allowed nor is it necessary for them take coats or bags or whatever physically into the warehouse. The lunch and locker facilities are all prior to going on to the work floor. We have established a rule that they go in in their work clothes and they come back in their work clothes. We have not found it necessary to do any searches because the only thing they can bring out is what they could put on their person. We will search a contractor who is coming out with tools or boxes. We also do a random search of empty trucks leaving our premises when they go to our gatehouse.

Mr. Ashe: The issue right now that is relatively high profile--I know it is among some of your staff and in the media--is the possible changeover to the private sector of the duty-free shops at Pearson; it is still Toronto International as far as I am concerned. What are the pros and cons from your point of view of the board's continuing to operate those stores versus turning them over to the private sector, and what will be the projected difference in your bottom line?

Mr. Ackroyd: These will have to be personal opinions and I will have to give you a bit of history. A little more than a year ago, Allders, the people who run the duty-free operation at the airports for everything other





than beverage alcohol, brought to our attention the fact that particularly in today's travelling world, with increased security and increased delays going through Lester B. Pearson International Airport, a very large and very busy airport here in Ontario, we further delayed the travelling public by making them do two-stop shopping. If a traveller and his wife want to purchase cigarettes, they both have to go to one duty-free shop and then go to our duty-free shop to get their beverage alcohol. This was inconvenient to the public.

When one looked at it in the context that at present the 13 land duty-free points are being privatized and turned over through public tender to the private sector, I think there were two reasons one had to examine whether the LCBO should stay in business at the airport or whether that should be tendered. Of course, Allders would like us just to hand it the contract. In my opinion, we cannot do that. It would have to be publicly tendered. Allders still has three or four years to go on its lease there. We have suggested, "Do you want to drop your lease?" Allders is opposed to that. Our lease has run out and is on a short extension.

At this time, we really are not in a position of making any decision. I know that Allders feels very strongly and has approached government with the view that it should take it over. I am just reiterating my position that I do not think you could hand it to Allders. Our profits would be in the neighbourhood of \$7 million to \$8 million. If you ask me whether they would increase if it were taken over by the private sector, I think there are two points of view. Some people do not think it would change that much and other people think it would increase.

Of course, travellers would have the luxury, as we have noticed in other airports, of using credit cards, something that has never been approved of by government in this province. I am only guessing. I guess my personal opinion is that business would increase.

The Vice-Chairman: Did you say that you are in the process and that the tenders have already been brought in for 13?

Mr. Ackroyd: No. Four of them have been awarded. One has withdrawn so that is being looked at again in the first four. The deputy minister is here and she can correct me if I am wrong. I think we are almost at the final position between our deputy minister and her counterpart, the deputy minister at the federal level, of announcing the second four, possibly in the next week or two. That will bring a total of eight that have been dealt with and then there are a remaining five that have to be tendered.

The Vice-Chairman: I gather you are going to allow major advertising because I see a sign not far from your head office; this was prompted when Mr. Ashe raised the question.

Mr. Ackroyd: I noticed a sign on the billboard there.

The Vice-Chairman: There is a large billboard identifying duty-free at Fort Erie, I believe it is.

Mr. Ackroyd: Yes.

The Vice-Chairman: This whole issue of advertising and lifestyle has





been an issue for many years. Are you going to allow that sort of advertising for all the privatized duty-free shops?

Mr. Ackroyd: This is not dealt with by our board. This is looked at as liquor advertising and has to go to the Liquor Licence Board of Ontario. To my knowledge, I do not think they are advertising a product.

The Vice-Chairman: No, they are not.

Mr. Ackroyd: They are only advertising that there is a duty-free operation. I am not sure of this, but I do not think that is controlled by either the licence board or us.

The Vice-Chairman: No. When you signed the contracts to allow all these private operators, what conditions were in there? That is where I am coming from.

Mr. Ackroyd: Maybe I can clarify that for you. The first four duty-free outlets were in Sarnia, the Windsor tunnel, Fort Erie and the Thousand Islands. The successful Thousand Islands bidder has withdrawn and we are looking at another person who was in the original tender. The four the deputy minister has been dealing with in the past few days are Sault Ste. Marie, the Rainbow Bridge, the Queenston Bridge and Fort Frances. The remaining five that will have to be tendered are the Windsor Bridge, Prescott, Cornwall, Pigeon River and Rainy River.

Mr. Ashe: I have one last area. In my view, your mandate now has been quite rightly and properly renewed until the end of April 1990. Now that you have some, let us call it security, in that tenure for three more years, what do you foresee as your main challenges to help the operation of the board, some of the things that you now have the time to do that you probably did not have time to do in your first mandate? What key areas are going to be new thrusts of your leadership in the next three years?

Mr. Ackroyd: I would like to go through each section and tell you some of the things I think we must do. Some of the things have been raised here today. We have to continue to work to make sure that the hiring practices, the promotional practices and the locations of stores are above any kind of public criticism, that they are done by a very fair system. We have to work very closely with our union to make sure it is satisfied in the area of personnel. We have done a lot of things, but there is more to be done in the area of training our staff in career development, identifying the key people who are going to go ahead in the organization. We have to build on the strengths we have. We have to increase their training, not only in administrative skills but also in customer service and product knowledge.

One of the things we are picking up in our public surveys is that our employees do not know a lot about the products. We cannot make every part-time clerk in a liquor store a wine expert but we can give them some general product knowledge and increase their knowledge. These are some of the things that come to my mind in the field of personnel.

In the field of technology, obviously we have to make great inroads in where we are going. We have to computerize our cash registers, bring in a point-of-sales system, which has gone to tender, update our financial auditing systems and make much more use of technology and microcomputers in that area. Most of my concerns in the financial end of it will be addressed by the point-of-sales system because the greatest criticism we have with the manual





systems we have is the timeliness of detail. The financial information we get is quite often late. I think that is going to be covered.

From the operational standpoint, we have talked a bit today about the new look. The things we have to do, also internally, are concerned with the number of people calling in. We talked with the consultant who is reviewing our management. One of the things we are thinking about is some kind of hotline, so that not only employees but also the public can call and tell us what they feel is wrong or get answers to their problems. That is one of the key things.

We have to look at ways of trying to increase our efficiency and speed up the process of responding to reports. I guess our two key areas in the organization, being in charge of products, warehousing and the retail, are tied down to two people. We are calling on the six vice-presidents more and more to deal with detailed reports in committees and pulling them off their line responsibilities. I think I have to do some things in that area to free them up more to run their own operations and have other people who can pull reports and sit on committees and things such as that, that take up a lot of their time.

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There are many things that we can do to continue to improve the efficiency at the liquor board. I also want to see the ability to get more information to our employees. We created a newsletter two years ago but it is a quarterly. I do not think you can speak to your employees quarterly. I think we have to tell our employees what a good job they are doing. One of our young employees won a \$1,000 scholarship the other day. She was at the top of her class as a wine-taster and was given a scholarship. I think we have to stroke the employees who do those kinds of things. We have a handicapped employee who won a wheelchair race and a gold medal in Europe. We have to tell the employees that we are proud of them. There is more we have to do in that area.

That gives you a general flavour of the things that I would like to see us do.

Mr. Ashe: Thank you chief, continued success.

Mr. D. R. Cooke: I would like to get back to hiring practices. Mr. Johnson would understand them a little better than I do, but I know that when the government changed hands, suddenly, a number of people came to me and asked me if I could get them a job in the liquor store. I wondered if you could go over what the hiring practices used to be. How did it used to work before it was revised?

Mr. Ackroyd: As I indicated, I guess it was within fewer than two months of the Liberal government taking over in Ontario that I was asked to attend at the Office of the Premier. He asked me to submit a report to him within eight days--and that happened to be falling on the date he wanted the report--on how to remove all political interference from the hiring process and to set up a system of hiring policy at the temporary level and in the board.

Basically, what I outlined in that report was decentralizing the hiring to the five districts, having the applicants for jobs interviewed by a panel of three and, if possible, having a woman sit on the panel because we had been criticized at one point five or six years ago by the Ontario Human Rights





Commission on our actions on affirmative action. We wanted the panel to interview those who were applying for jobs with us as part-timers and coming into the organization. We wanted them to work on the selection of the best qualified applicant, and they were not to deal with any interference from any senior executive of the board or any outside influence in their interviewing and picking the best qualified people to come into the organization.

As far as promotions were concerned, our recommendation there again was that every job for upper mobility in the board should be posted. If we did not have the qualified people internally, we could advertise it externally. Again, we would look for the best qualified people to move up, and all the applicants of those jobs would appear before a selection panel and be voted on by a selection panel. The panel would have as much information as it possibly could garner about the various people applying for the promotions.

Recently, for instance, three jobs for which we did not feel we had sufficient people internally were put up for an open competition both internally and externally. There were more than three, but three were won by people coming in from outside. Our new supervisor of vintages, our new supervisor of purchasing and our new supervisor of communications have been brought in from the public sector.

That gives you an overview of the things we have tried to do to create a system of hiring and promoting that not only is fair but also appears to be fair.

Mr. D. R. Cooke: These were ideas that you provided for the Premier at his request. Where they acted on?

Mr. Ackroyd: Yes. He told me to go ahead and implement those.

Mr. D. R. Cooke: Is the new legislation satisfactory in your regard as far as you are concerned?

Mr. Ackroyd: The change in the legislation, that you did not have to put them through something like four signatures on an order in council to hire temporary employees, which increased the perception that these were political appointments, I am not sure that changed anything other than possibly perception, which is always so important these days, but it certainly speeded up being able to put people through that process, to hire and promote them.

Mr. D. R. Cooke: But you had the process under way in 1985, subsequent to your meeting with the Premier.

Mr. Ackroyd: I would say late 1985. I cannot give the exact date, but that was implemented within approximately four months from the time David Peterson took over.

Mr. D. R. Cooke: I gather you had eight days to come up with all these ideas. Some of them were swirling around in your head even before the meeting.

Mr. Ackroyd: We held a meeting following that. We sat down with our senior staff and drafted a report for the Premier.

Mr. D. R. Cooke: What was the situation you were working under prior to that meeting? How would someone get a job in a liquor store?





Mr. Ackroyd: There was a feeling that there there were a variety of ways, an indication people could phone in and someone would indicate to someone in an area to hire this person. Interviews were not conducted. There was no clear directive or procedure laid down for them to follow, and quite often I guess there was a suggestion that people did interfere in the hiring process.

Mr. D. R. Cooke: That would be because of a sense of whom you knew, followed by an order in council's being issued.

Mr. Ackroyd: To follow on that statement, if someone called and a directive came from head office to hire this employee, then of course head office would prepare the necessary paperwork to have the order in council go through the ministry and on up to get the necessary signatures.

Mr. D. R. Cooke: I will turn to an entirely different issue, the question of your mandate and whether you have a preference for Ontario-produced products, particularly wine. Is that your understanding of your mandate at present?

Mr. Ackroyd: Of course, we have a mandate for what we do under the wine assistance program and the things we do to try to support our industry and the Ontario wineries in this province. We have a policy we follow in so far as listings, products on the shelf and the Ontario wineries having their own wine outlets. We guarantee them 40 per cent of all displays in our stores. We recently did a survey, because they raised the issue of the amount of shelf space they had in our stores. I think our study revealed somewhere in the neighbourhood of 55 to 56 per cent of our shelf space is given to the Ontario wineries.

If I understand your question correctly, we are committed to doing what we can to assist the Ontario wineries.

The Vice-Chairman: Mr. Ashe has a supplementary.

Mr. Ashe: It is on the previous issue. I did not want to cut in while I was acting chairman, because I thought it was a little inappropriate.

Can you clarify? Partly prompted by the question and, frankly, partly prompted by the answers, I am afraid the impression has been left that previously you virtually did not get a job working for the Liquor Control Board of Ontario unless there was some influence.

Will you or the deputy put on the record when the union contract changed to include a clause that said that when there were store openings--I am not talking about head office jobs; there are not that many of those anyway--that applicants were, first, currently part-time people and in theory, if no part-timers applied, it was wide open? I do not suppose this ever happened.

Mr. Ackroyd: As I understand that, and we discussed that issue in the last week, I am not sure there is anything in the contract that would prohibit the board from going outside, hiring someone off the street and bringing them in as a full-time employee in our store.

It is the general practice and basic philosophy of the board to look first at the 2,000 temporary people in our organization who are interested in upward mobility. We would be in a difficult position if we said all 2,000 of those people are not interested in upward mobility or not qualified and we had





to go outside to find someone. As you heard today, some people have been waiting four and five years to go from temporary to full-time.

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Mr. Ashe: Do you have a senior personnel person with you today?

Mr. Ackroyd: No, I do not think so. Our executive vice-president of administration is away and George Kelly is filling in.

Mr. Ashe: I would like a written response to my question, at least in the context that if there was no change in the wording of the union contracts--and I cannot put a time to it; that is why I asked the question--I would say seven or eight years ago there was a policy or policy directive change. I will be very frank and that is what we are talking about. There is no doubt that way back, there was a fair bit of the who-you-know to get into a store. Let us not kid ourselves. That is one of the prerogatives the local member used to have. That definitely changed some seven, eight or nine years ago. My impression was--and from what you have said, incorrectly--that it came about because of a union-negotiated contract. If it was not from that method, then there was a definite directive change of policy.

Mr. D. R. Cooke: Do you mean things were even worse eight or nine years ago?

The Vice-Chairman: You may not think it appropriate, but I feel stuck here. May I just follow your line of questioning with one question?

Mr. Ashe: I definitely want an answer to that because there is no doubt it changed. Again, I am not specific about the time frame, because I do not know, but my guess is that it was seven, eight or nine years ago.

The Vice-Chairman: By way of assisting, that was the information the Ottawa district office has been giving people, that the requirement was part of the union agreement and, secondly, that a directive from the LCBO was also involved. To substantiate what Mr. Ashe is saying, that story began to be told by your offices about seven or eight years ago.

Mr. Ackroyd: I am not familiar with it.

Mr. Ashe: I do not say improperly--as a matter of fact, correctly--but we are getting a wrong impression. Either that, or I was missing the boat for the last seven, eight or nine years, and so were nearly all of my colleagues, from what I understand. There was definitely a change, and not just 18 months or two years ago, as the record seems to appear now.

Mr. Ackroyd: I am not familiar with that, not having been here seven or eight years ago.

Mr. Ashe: I appreciate that.

Mr. Ackroyd: There is one point I am a little confused on. I was not under any impression that if there was some interference or outside influence brought to bear--

Mr. Ashe: There is no doubt that was being given by the questioner and I must say you kind of substantiated it in your answers.





Mr. Ackroyd: I am not sure whether that meant they were being brought in as full-time employees vis-à-vis being also brought in as part-time. Are you also suggesting it is not clear if phone calls were made and someone was told to hire someone? I guess I assumed that meant they were being brought in as part-timers, so they were given jobs. There is also the suggestion in your line of questioning that maybe some of those people were brought in--

Mr. Ashe: It was not mine, but Mr. Cooke's.

Mr. Ackroyd: Okay. I will try to clarify both points for you.

The Vice-Chairman: If there is any question as to how the questions were posed, Hansard will be available when? When will the rough Hansard be available?

Interjection: I am not sure.

Mr. D. R. Cooke: What is the problem?

The Vice-Chairman: If there is any question in the Chief's mind as to what was asked, he can obtain that from Hansard.

Mr. Ackroyd: If I understand it, what you really want to know is what changes were made in the union contract approximately seven or eight years ago.

Mr. Ashe: And policy, or both. I thought it was contract, but--

Mr. D. R. Cooke: The questions and answers were very clear until Mr. Ashe tried to draw a red herring across it very unsuccessfully.

Mr. Epp: It is quite true that some of the sensitivities here are being tarnished a little.

The Vice-Chairman: Mr. Epp, if it was anybody--

Mr. Ashe: There is no doubt that the record at the moment stands incorrect and I want to make sure it is corrected, regardless of what some of the people to the right of me, but probably more appropriately to the left of me, are trying to put on the record.

Mr. Epp: That is the clerk to your left. I do not think you should interfere with the clerk's function.

Mr. Ashe: I meant that you fellows should maybe be on my left. That is what I said.

Mr. D. R. Cooke: Maybe I could clarify the matter by asking a few questions. You have been here three years?

Mr. Ackroyd: Two years and nine months.

Mr. D. R. Cooke: You would not know whether things were even worse seven or eight years ago, and that is not really your purview. But, in fact, you are telling us that you have had a chance to be aware of union contracts over the course of the three years you have been chairman of the board, and that problem was not one that you knew about until this morning. Is that fair?





Mr. Ackroyd: I am not aware of what changes went on in a union contract seven or eight years ago or what policy changes may have been made. I have tried to address the issue from the standpoint of what was asked of me by the Premier (Mr. Peterson), the type of report I put to him and the types of changes that have been implemented.

Mr. D. R. Cooke: Am I misinterpreting something? Before the Premier of the province asked you for that report, was it not the case that you felt there was some element of people getting jobs because of who they knew?

Mr. Ackroyd: I do not have any evidence but, again, I was under the impression that it had been indicated that some members of the Legislature could call and give someone a name, and on the strength of giving them a name, some type of a job was--I assumed it was a part-time job, I do not know.

Mr. D. R. Cooke: I think that is clear enough.

Mr. Ackroyd: I will certainly look into what changes in policy or contract occurred that might have affected hiring policies, and get back to you with that.

Mr. Ashe: I am talking about full-time staff changes. I said that right from the beginning.

Mr. D. R. Cooke: Mr. Ashe got only part-time jobs for people in his riding.

The Vice-Chairman: Let us not get into that. There has been a question raised as to any changes in hiring practices, and I think the question deserves to be answered properly.

Mr. D. R. Cooke: Moving back to the subject of the preference that may be given to Ontario products over products from outside the province, the trade ministers of the various provinces had a meeting several months ago in which they agreed to put a freeze on interprovincial tariffs and to attempt to document those tariffs with a view to reducing them eventually. Has that had any influence on the policy of the board?

Mr. Ackroyd: I hope I am not taking you off track when I say that the only changes that were implemented that deal in the area of tariffs were the negotiations that went on between the United States and Canada over the imbalance in the Wine Equity Act. That is a slight deviation amendment from the General Agreement on Tariffs and Trade. I do not know whether you want me to address that, but there have been some changes that did affect the Ontario wine industry.

Mr. D. R. Cooke: I would be interested in knowing about it.

Mr. Ackroyd: In what is referred to as the Niagara accord, there were 17 issues--I could be out one or two because after the negotiations, some of those were merged--that were a matter for the predecessor to the deputy minister, Mr. Crosbie, and myself, who were charged with the responsibility of meeting with the US delegation in Ottawa on this issue of the Wine Equity Act. There were a number of issues that we agreed to deal with a little over a year ago on the issue of trade in wine between the United States and Canada. Those recommendations or items of agreement that came out of those meetings have been settled and implemented.





Part of that was the whole pricing structure of the Ontario wines versus the imported wines of the world. That pricing structure change, as indicated now-- If we looked at the data, for instance, one month after the Niagara accord was implemented, at that point, going back to when ethyl carbamate was discovered, the Ontario wineries were down over four million litres in sales of Ontario wine. Since the Niagara accord came in, they have recovered 1,750,000 litres back the other way. That is up to January 3 of this year. I think they will probably come back some two million litres by the end of our fiscal year, March 31.

You raised the issue of GATT. As far as I know, and my knowledge on GATT is limited, Ontario's position is that we will comply with the Tokyo conference. I believe we have a year or a year and a half to go in complying with that. Our staff is working with ministry staff and Treasury and looking at our differential markups on imported and Canadian products.

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Miss Gibbons: Maybe I could add that as provinces review the competitiveness of any of their sectors, they are taking a look at interprovincial barriers to competitiveness as well as tariffs and other kinds of barriers that may be getting in the way. I think the commitment from the trade ministers was to look at the extent interprovincial barriers interfered with competitiveness. That is an ongoing piece in preparing ourselves for the free trade negotiations.

Mr. D. R. Cooke: Your ministry is doing that?

Miss Gibbons: We are working with Mr. Ackroyd and his staff and various other ministries around trying to determine the Ontario position in various areas.

Mr. D. R. Cooke: Is it not the case that there is federal legislation with regard to transporting alcohol across provincial boundaries that is part of the problem?

Mr. Ackroyd: The Importation of Intoxicating Liquors Act deals--

Mr. D. R. Cooke: Nineteen twenty-four?

Mr. Ackroyd: There are some proposals for amendments. The last I heard they had not gone through. It has not been reviewed for a considerable time. There now are some proposed amendments on the Importation of Intoxicating Liquors Act.

Mr. J. M. Johnson: Is the concern liquor or is beer? Is there a problem with liquor crossing provincial boundaries?

Mr. Ackroyd: Are you talking--

Mr. J. M. Johnson: It is my understanding that every province wants its own brewers to produce the beer for sale in its own jurisdiction. Does the same apply to liquor, alcohol, whisky?

Mr. Ackroyd: No, it does not apply to Canadian distilleries.





Mr. J. M. Johnson: There is no problem of provincial borders for alcohol, just beer?

Mr. Ackroyd: Again, I believe the only problem is with each province having its own jurisdiction over alcohol. There has been some insistence on building the brewery industry in each province.

Mr. J. M. Johnson: Your board does not sell any beer that is produced in Quebec or New Brunswick or Alberta?

Mr. Ackroyd: No.

Mr. J. M. Johnson: Does it sell alcohol produced right across the country?

Mr. Ackroyd: Yes.

Miss Gibbons: But it could sell beer from other provinces.

Mr. J. M. Johnson: It could but does not.

Miss Gibbons: It would be faced with a markup, as I understand it, and I think the other provinces would have elected not to move their beer in, faced with that reality.

Mr. Ackroyd: The breweries themselves do not want to do it. For instance, when we suggested bringing in Moosehead beer, they said, "No, we would prefer to develop Moosehead beer in Ontario and manufacture it in Ontario under some contractual arrangement." The inhibition in this is not caused by the LCBO or by government here; it is the breweries themselves that inhibit this.

Mr. J. M. Johnson: This would not be your decision; it would be a political decision by the government if it wanted to bring in Moosehead beer.

Mr. Ackroyd: If the breweries agreed to it, I do not think there would be any difficulty with the government or the LCBO on the issue. The issue is that the breweries themselves do not want to do it.

Mr. D. W. Smith: Is it because the provinces would have to reciprocate? If we allowed, say, Quebec or Alberta or Manitoba beer to be brought in, could Ontario ship back out? Is that why they do not want to get involved? Does it have to be a reciprocal agreement? Is it just that the breweries have decided they do not want anything to do with it and that is it?

Mr. Ackroyd: In dealing in various provinces, I think the breweries found that the provinces wanted them to build breweries in their provinces to create employment. To encourage that, various provinces have developed this system.

Mr. D. W. Smith: It is kind of a gentleman's agreement among the breweries.

Mr. Ackroyd: I do not know of anything of a legislative nature that is controlling it.





Mr. Wilcox got some information that may address Mr. Ashe's question on the contract.

Mr. Wilcox: Regarding the question of temporaries in the collective agreement, the language was introduced July 1, 1982. It gave our temporary employees consideration for all full-time jobs that came open in our system. It allowed that if several temporaries were qualified, we would then look at length of service as a consideration.

Mr. Ashe: It was only 1982. It seems to me that it was longer ago than that.

Mr. Wilcox: From what I have been able to determine over the phone, that is the first time we saw it in the language in the collective agreement.

[Failure of sound system]

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Mr. D. R. Cooke: If Brewers' Warehousing wanted to market those beers, it would be via your board.

Mr. Ackroyd: They would have to come to us. Brewers' Warehousing, of course, is owned by the Ontario breweries.

Mr. D. R. Cooke: There has been a lot of concern in the brewery industry in the United States. In fact, this morning I received a photostat from the American consul in Toronto of a letter he wrote to the Toronto Star--believe it or not, they printed it--concerning the barriers that brewers in the United States face in this country. He has indicated to me in the past that they feel we are not looking fairly at their position in this regard, considering that the Canadian breweries have fairly clear access to American markets now. No one has specifically been putting this argument to you in recent weeks.

Mr. Ackroyd: To my knowledge, we have had no approaches concerning the American beer issue officially, to me or to the board.

Mr. D. R. Cooke: Similarly, we are told the trade negotiator's office in Ottawa is engaged in some negotiations with the United States in this area. Again, no one from that office has approached you to discuss any circumstances in which American beer or wine might be given a better preference in Ontario.

Mr. Ackroyd: I mentioned California wine; with that exception, no. The only thing was a committee in this room--maybe the deputy minister can help me with the name of it--dealing with the issue of the imbalance of trade. We were asked to submit to that committee the figures for total exports and imports from and into Ontario and Canada of beer, wine and alcohol.

Mr. D. R. Cooke: I think that was our select committee on economic affairs.

Mr. Ackroyd: We submitted that data at the committee meeting.

Mr. D. R. Cooke: I take it that you, along with the rest of us, are





reading in the paper that the federal government is engaged in these negotiations.

Mr. Ackroyd: Yes, I heard that on last night's news.

Mr. D. R. Cooke: That is right. It now has been many months and no one has contacted you.

Mr. Ackroyd: Not on the question of beer or spirits. With respect to my dealings with the United States, you were referring to Mr. Lucius's letter and I have fairly regular contact with him regarding the wine situation under the Wine Equity Act.

Miss Gibbons: Technically, Mr. Cooke, the contact would not necessarily be with Jack Ackroyd because the province is co-ordinating its provincial position internally and working through the trade negotiator's office in Ottawa. They would not approach Jack directly.

Mr. D. R. Cooke: Are you aware of any other contact that may have been made?

Miss Gibbons: I know we have ongoing involvement in looking at the balance of trade issues and tariff and nontariff barriers that would help us put together an Ontario position. It is ongoing work. I am not aware of being lobbied directly; it is part of an internal process to establish a position.

Mr. D. R. Cooke: In so far as our government is concerned, I understand there is a committee that has a number of ministries involved, including your own, that is looking at the matter in an ongoing way. Are you aware of any suggestions that coming to you from the trade negotiation office? You do not have to be specific as to what they are because I realize they could be sensitive.

Miss Gibbons: Do you mean suggestions in terms of the Ontario position?

Mr. D. R. Cooke: Yes.

Miss Gibbons: No.

Mr. Ashe: May I ask a brief supplementary? It is in regard to the second last question of Mr. Cooke to the chief. I should know the answer to this question but I do not buy six-packs. Do you sell six-packs in the liquor store for the same price as a six-pack in Brewers' Warehousing?

Mr. Ackroyd: To the best of my knowledge, it is the same price.

Mr. J. M. Johnson: But it is not cold.

Mr. Ackroyd: You are right, sir.

Mr. Ashe: There is no discount for that?

Mr. Chairman: Are you finished, Mr. Cooke?

Mr. D. R. Cooke: I have one other line of questions but I have finished my trade questions. It is an intriguing area and I am not sure what my own thinking is on it. It was mentioned earlier when you were dealing with





some other questions of Mr. Ashe that you do not take credit cards. Why not?

Mr. Ackroyd: To the best of my knowledge, the answer is that it has always been the policy of government not to allow credit cards. I have not questioned it. I can give you my opinion but it would be my opinion.

Mr. D. R. Cooke: I think this may be--

[Failure of sound system]

Mr. J. M. Johnson: You have a narrow line to tread between selling product and preventing abuse.

Miss Gibbons: Yes.

Mr. J. M. Johnson: I very strongly suggest we not get involved in credit card sales.

Mr. D. W. Smith: There is no problem then with the banks? They would be pleased to accept credit cards in the retail stores? There is no problem with that aspect of it? It is just that you may contribute to more alcoholism or some social problems?

Miss Gibbons: I would be speculating on the policy position of the last administration that led to that position because it preceded my time and Mr. Ackroyd's time as well. My guess is it would be part of trying to balance social control and accessibility.

Mr. D. W. Smith: Nothing to do with the banks?

Mr. D. R. Cooke: I do not imagine the banks would have any moral concern.

Mr. Ashe: People who could afford it the least would be the ones who would be charging it the most.

Mr. Mancini: I have to make a confession to Mr. Johnson. I go to the liquor store in Amherstburg once or twice a year and I do write cheques there.

Mr. Ackroyd: I want to clarify that too, just for the record. With respect, that is not true. Our store managers are authorized to take cheques if they know someone. They have decided to accept a cheque in the store from the local bank manager or if a regular customer comes in. The responsibility is theirs if they accept the cheque. As you know, we also had some criticism when we expanded our vintages program. People were coming in and buying \$10,000 or \$12,000 worth of product, and we expected them to carry cash. We did institute a courtesy card for our vintage shoppers, giving them cheque-writing privileges. There is some use of cheques at the board.

Mr. J. M. Johnson: Just as a point of clarification, did you say a not-sufficient-funds cheque is a manager's responsibility?

Mr. Ackroyd: Yes.

Mr. J. M. Johnson: You are putting an onus on the manager that I am not sure is accurate.





Mr. Ackroyd: I am only reiterating a policy that has been--

Mr. J. M. Johnson: I remember that several years ago, at the Ministry of Transportation and Communications motor vehicle licence-issuing offices, it was the responsibility of the operators to assume a bad cheque, so they were discouraged from taking cheques. Then the government changed the policy and assumed the responsibility if the cheque turned out to be bad. In this instance, I think it is very similar. If it is your policy that cheques can be accepted, then the government should stand behind them and not have the manager take the loss.

Mr. Ackroyd: I am just reiterating a policy that was there. On the issue of the courtesy card, where we have checked out the applicant and have authorized a courtesy card for him, then we do accept the responsibility.

Mr. J. M. Johnson: That is your responsibility.

Mr. Ackroyd: That is our responsibility, as the board.

Mr. D. R. Cooke: This question is more to the deputy minister. The possibility of reviewing policy in this regard might be co-ordinated with a review of policy in other types of stores as well, such as grocery stores. It sounds as if the policy here is very similar to the policy in grocery stores, although, frankly, I think that in reviewing the policy, it may well be the case that we will decide on a more liberal policy for grocery stores than for liquor stores.

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Miss Gibbons: Although, the minister's authority would be limited in the grocery store area. He would not be setting the policy there. Liquor stores, I think, touch on provincial jurisdiction.

Mr. D. R. Cooke: Yes. So there is no other area it would--

Miss Gibbon: Mr. Jackman has an added piece of information.

Mr. Jackman: As I recall it in the previous administration, it is in that spirit that it did not wish to accept cheques or use credit cards in liquor stores. It attempted to deny Loblaws the opportunity of using credit cards for purchases of groceries.

Mr. D. R. Cooke: The provincial ministry did that?

Mr. Jackman: I am sure it did.

Miss Gibbons: I will confess ignorance on this issue, but I would find it difficult to see under what piece of legislation the minister would control the utilization of credit cards in a private enterprise. I will be glad to check that for you, Mr. Cooke.

Mr. D. R. Cooke: We are expanding our constitutional bounds all the time, so it--

Miss Gibbons: Many grocery stores have courtesy cards and cheque-writing privileges at the moment, similar to what Mr. Ackroyd has introduced in the Vintages shop.





Mr. D. R. Cooke: But Visa would be prohibited in a grocery store.

Miss Gibbon: I think that is by practice and policy of the grocery store rather than a rule of government. As I say, it is not in my area of jurisdiction, but I will certainly check it for you.

Mr. Jackman: The Loblaws chain has a courtesy card for accepting cheques, but when it was addressed some years ago, maybe it was not by legislative authority, but somehow the grocers were encouraged not to introduce credit cards in that area.

The Vice-Chairman: Excuse me. Would you try to keep in close to the microphone? I know it is difficult but--

Mr. Jackman: I am sorry. Although I do not know of any legislation, when it did come up a few years ago, grocers were encouraged not to. Whether it was by instruction or just through discussion, I cannot be sure.

Mr. D. R. Cooke: This is the provincial government.

Mr. Jackson: I am sure it was. Yes.

Mr. D. R. Cooke: I am surprised that no grocery chain has challenged that in some way.

Mr. Jackman: No grocery store is using credit cards.

Mr. D. R. Cooke: No.

Mr. Jackman: They have a courtesy cheque card, but--

The Vice-Chairman: For those of you who go back only a little bit in history, perhaps I can assist. I can go back to when, for example, the Robert Simpson Co. had, probably, the largest grocery store in the city of Toronto.

Mr. Mancini: When was that, Mr. Chairman?

The Vice-Chairman: I hate to tell you. The fact of the matter is that at that time, when it went checking to see just what charges were on its credit cards, it was astounded at how much was on its own credit cards with respect to grocery items and not hard stuff that it could put its hands on if there was a default. I am going back in history so I do not want anybody to quote me. But that was a problem at that time, and I am talking strictly of that store's credit card. It found that it was difficult to take something back that no longer existed.

Mr. D. R. Cooke: This is an interesting subject, and we are getting a little off topic as far as the board is concerned. I would be interested in knowing to what extent they found the grocery bills were not paid, as opposed to the hard stuff--and that is not a pun either. I rather imagine that there would be very little, if any--

The Vice-Chairman: If you go to Simpsons today, it now has a small grocery area and I believe you can use your credit card there.

Miss Gibbons: That is right. You can in many specialty shops, such as tea shops and delicatessens.





The Vice-Chairman: At that time, it was a huge grocery store. Please continue, Mr. Cooke.

Mr. D. R. Cooke: No. I have no other questions.

Mr. Epp: Thank you very much, Mr. Chairman. I have a few questions. How long do you expect to go this morning?

The Vice-Chairman: We will be adjourning at 12 noon and returning at two o'clock.

Mr. Epp: Mr. Ackroyd, with respect to your owned and leased premises, can you clearly define for this committee those kinds of spaces that are leased and those that are owned by the board?

Mr. Ackroyd: I have some notes here. I can--

Mr. Epp: Is there any clear policy or criteria for you?

Mr. Ackroyd: Let me try to go from memory. I have some notes here and I can refer to them if you want more detail. Basically, about 284 of our stores are owned out of the 610. The balance are leased. The decision, for instance, on the area of leasing in many of the plazas--when they are building a large plaza or something like that--we obviously cannot go in and purchase, so we are almost forced into a lease situation if we want to go into those areas. So that would determine it. Other than that, it is a matter of a cost justification as to whether it is leased versus purchasing the land.

When you look at some of the small communities, there is a store available, and when you look at the cost of purchasing versus leasing, the most economical route of course is to go by lease in many cases. In other cases, the analysis from a financial standpoint will indicate that purchasing is the best route. In the areas where we put a trailer to see if there is a justifiable market, in most of those cases the leasing is of the land of course, so we can determine the market. That probably is the best initial route to take.

Those are the kinds of judgement calls. There is much more detailed policy. If you want me to go into more detail, I can look up some of the notes the staff have given me, but that is a general overview of the kinds of decisions on leasing versus purchasing they would look at.

Mr. Epp: It is really an economic decision?

Mr. Ackroyd: Basically it is an economic decision. For instance, it is advantageous to have a store in the Eaton Centre, but obviously we cannot purchase it; we have to lease it. The same is true with Square One Shopping Centre, Cloverdale Mall and a host of plazas where we feel it is advantageous to have stores. The breweries are there. We want to be right next to them for convenience to the public. Obviously we cannot purchase in those kinds of locations.

Mr. Epp: Do you have any policies with respect to locating stores near educational institutions, such as high schools?

Mr. Ackroyd: Not to my knowledge, but that would, in all probability, deal with the public reaction. I know that sometimes when we are considering a store, we will get some type of public reaction in relation to a





school, a church or something like that. It is primarily dealt with at the property meeting, when we are dealing with store locations. We ask, what is the public reaction in that area to a store? That has come up periodically.

Mr. Epp: Public reaction is measured in terms of somebody getting a number of signatures or that type of thing?

Mr. Ackroyd: A number of signatures or complaints or a concern being raised in the neighbourhood.

Mr. J. M. Johnson: Are you promoting setting them up next to churches?

Mr. Epp: No, particularly the United Church.

Mr. Ashe: That will be in the basement, beside the bingo.

Mr. Epp: Are all your stores self-serve stores now?

Mr. Ackroyd: Between 50 and 60 of the 610 are not yet converted to self-serve. We are on a program, I believe it is between now and 1990 to convert all of those but one.

Mr. D. R. Cooke: Which one?

Mr. Ackroyd: I believe it is Moosonee. I think there is a decision by council up there.

Mr. Ashe: Good choice.

Mr. Ackroyd: I believe that because of some local problems, that location will never be converted to self-serve.

Mr. Epp: We will not ask you to elaborate on that one.

Mr. Ashe: Put it over at Moose Factory and then at least they will have to swim for it.

Mr. Epp: With respect to TV monitors, do you tender for the TV monitors put in stores? Do you have any TV monitors in any stores, aside from your warehouse?

Mr. Ackroyd: The only time we put a TV monitor in a liquor store is when the security people have sufficient evidence to believe someone is committing an offence, such as stealing from a cash register. If we have good grounds to believe that, we will not pan a store with any TV monitor; we will not pan all the cash registers, we will put a TV monitor on a suspect, watch that person and try to obtain evidence. Beyond that, I know our warehouse has some TV monitors for scanning where trucks are coming in and things like that.

Mr. Epp: That is pretty well the extent of it?

Mr. Ackroyd: It is not in the stores. I believe there have been some decisions at labour hearings--and I cannot quote them accurately--that it is be wrong to put TV monitors in at random to scan all employees in a store.

Mr. Epp: With respect to staff training, is there some basic training that everyone who gets a full-time or part-time job has to go through?





Mr. Ackroyd: The bulk of the training in the past has been on-the-job training. In other words, you bring on a part-time person. In a sense, the store manager trains them. Our thrust--and it is one thing I omitted when you were asking me some of the things we intend to do in the future--is that we are looking very much now at videos as a way of handling training in a province of this size with 610 stores. What we have done now is to equip our 26 regional supervisors with the ability to take around videocassette recorders and televisions. We are developing a number of videotapes for training and getting out messages. That is the thrust, and we are just really getting started. I think we have somewhere in the neighbourhood of eight to 10 tapes.

The Vice-Chairman: I will allow one supplementary and then it appears to be an appropriate time to recognize the clock. We are a couple of moments after 12. I will allow one supplementary, and we will continue questioning after lunch.

Mr. Leluk: I wanted to follow on Mr. Epp's question. Is there a set period of time that is devoted to the training of this new staff? Is this done during their initiation into the job or is it done prior to their assuming the position with the Liquor Control Board of Ontario?

Mr. Ackroyd: If you take the total package of training, we are using video training and on-the-job training with a young probationer, a young man or woman coming in. We are using specialized training. We are bringing people to places like the Kempenfelt Bay training centre and into training sessions. In fact, three of our vice-presidents have been sent on university courses on training, and more will be sent next year. We have already booked one seat at the University of Western Ontario for the five-week course. Of course, the training package goes all the way.

On another issue, we are bringing people into head office and the district offices for training in product knowledge, as I mentioned, and we have training for our wine consultants.

Mr. Leluk: There is no set period of time.

Mr. Ackroyd: There are no two-week courses or anything.

Mr. Leluk: There will always be some on-the-job training, but will there be a week or two of videos prior to assuming their jobs?

Mr. Ackroyd: The best way to answer that is to say that at present we take a number of videos around and make sure the employees see them as part of a training package, and there is also some product knowledge. Some groups of employees will be brought into the regional or district offices for additional training. To be specific, there is no training package so that every new employee must have two weeks of training. We do not have anything that specific yet.

Mr. Leluk: Is there any plan at this time, as the LCBO progresses into computerization and whatever other high-technology, for some type of continued education where staff would require it?

Mr. Ackroyd: Our major thrust in that area for the store level will be in video training. We will be stressing customer service, product knowledge and improving their own skills to do their jobs.





Mr. Chairman: Thank you, chief. It is after 12 o'clock. The committee will recess, to reconvene at two o'clock.

The committee recessed 12:03 p.m.





STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

LIQUOR CONTROL BOARD OF ONTARIO

TUESDAY, MARCH 3, 1987

Afternoon Sitting

STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Cooke, D. R. (Kitchener L)

Epp, H. A. (Waterloo North L)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Mancini, R. (Essex South L)

Marland, M. (Mississauga South PC)

Smith, D. W. (Lambton L)

Swart, M. L. (Welland-Thorold NDP)

Substitutions:

Ashe, G. L. (Durham West PC) for Mrs. Marland

Bryden, M. H. (Beaches-Woodbine NDP) for Mr. Swart

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Witnesses:

From the Liquor Control Board of Ontario:

Ackroyd, J. W., Chairman and Chief Executive Officer

Wilcox, D. F., Vice-President, Products/Distribution

Jackman, D. H., Executive Vice-President, Operations

From the Ministry of Consumer and Commercial Relations:

Gibbons, V. A., Deputy Minister



LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Tuesday, March 3, 1987

The committee resumed at 2:05 p.m. in room 230.

LIQUOR CONTROL BOARD OF ONTARIO  
(continued)

Mr. Chairman: Mr. Ackroyd, I apologize for not having been here this morning, but I am sure Mr. Mitchell was able to lead the parade pretty well. As I understand it, the questioning has begun. I believe, Mr. Epp, I have you on the list.

Mr. Epp: I appreciate the opportunity of continuing here. Mr. Ackroyd, I have a question with respect to the original \$750,000 that was assumed to be the valuation of the products that were missing from your warehouses, particularly from one warehouse, that was then reduced to \$75,000 in products. What gave rise to this great discrepancy between what the auditor originally projected was missing and what in actual fact was missing? Where is the error in judgement? Was that with the auditor or with your people? Where was it?

Mr. Ackroyd: Basically, the problem was not with the auditor, sir. It was with us. First, the figure was not a one-year audit; it was a two-year audit. The reason for the two-year audit was that the previous time when we would normally have audited, we were in the middle of the beer lockout and there was no audit done. It was a matter of closing the three public warehouses that Mr. Wilcox referred to this morning, where we were using somebody else's warehouse space, along with our own space at Kipling.

In the process of closing the four buildings, removing all the stock and having an audit at that time, this much showed up. When we got into examining the \$750,000, we could account for a lot of it either in data moving from one source to another or data being fed into the computers incorrectly, and so on. When we went back, re-audited it and checked it, we could account for all of it except \$75,000.

Having had five charges of theft laid in the warehouse over the two-year time, we knew certain products had been stolen. We laid somewhere in the area of 11 or 12 charges against the one group which used a catering truck. It is an assumption on our part that the people we arrested stole more than we charged.

The discrepancy was largely from the wrong data being fed in. When we went back, checked it and resurveyed it over the two years, we were able to identify all the losses except, as I said, about \$75,000.

Mr. Epp: If I interpret what you are saying correctly--and I am also on the standing committee on public accounts so I appreciate that--you were not given a proper opportunity to explain where the losses had occurred. Is that accurate? You were not given an opportunity to explain where the deficiencies occurred?

Mr. Ackroyd: As I recall correctly, I think we certainly were given the opportunity to go back and re-examine it. It was just that when we closed those places down and the audit was taken, there was that much at that time that we could not account for. In going back and reviewing, properly checking it and properly auditing it and finding our mistakes, we were able to account for all of that to the auditor's satisfaction.

Mr. Epp: But that was after the report came out.

Mr. Ackroyd: Yes, sir.

Mr. Epp: What I am trying to get at is whether you would not have been afforded the opportunity to respond to that before. You would have said, "This should not be \$750,000, it might be a lot less," and you would check it out before it ever went into the report.

Miss Gibbons: Maybe I could help, Mr. Ackroyd. As I recall the sequence--and you can help me with it--at the tabling of the findings of the auditor, the LCBO explained what it thought the problem was, and that it already had a team in looking at discrepancies. The final report of the team was not completed until after the auditor's report had been tabled. He did have some indication that we felt strongly that the \$750,000 that was reported as a discrepancy was not all related to theft. In fact, it was related to logging and entering inaccuracies.

Mr. Epp: The point I am trying to make--and you have to understand this--is that it is not that I am particularly concerned about this matter, but it is that it also occurs in other ministries where the auditor does a particular report. The ministry then says: "We have not been treated fairly. It has not been interpreted properly, and that is not the case."

What I am trying to get at is why should an auditor have the latitude of doing this? I am not being critical of the auditor; I am looking at the procedure as to why that should happen because nobody looks good in the end. In fact, there are good explanations for it. If there are, I would like to find out why they are not coming forth. It may be a matter of timing. It may be other factors. That is what I am trying to get at.

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Miss Gibbons: You put your finger on the vulnerability that many ministries feel. They have a sense that they have solved the issue with the auditor and learn in the last analysis that it still is in the report.

Mr. Epp: Exactly, right on.

Miss Gibbons: How we are trying to deal with it this year with Mr. Ackroyd and his staff is that the auditor is in there now. We are getting a preliminary sense of what he believes the plan is to be. The staff are already beginning to take a serious look at what has been suggested and will build the ammunition that says very early on, "You are absolutely wrong about this because you do not have the right information, or you are right and we can fix it in the next two weeks, six weeks or six months." We are trying to be a little more proactive with his participation as a way of ameliorating that inevitability.



Mr. Epp: Exactly. It almost looks as if--I hate to use the term, but if he was here I would use the same term--the auditor almost participated in a little grandstanding or media-hype type of putting forth certain statistics, or whatever, because it looks much more blatant at \$750,000 as opposed to \$75,000. Yet if there is a good explanation, why not go with the \$75,000?

Mr. Ackroyd: I want to reflect back on the audit area. The auditor recommended that the board further investigate this matter in order to determine whether the discrepancies at the leased warehouses were due to bookkeeping errors or some other reason. Even when the auditor raised the duty issue, he knew we had closed these four buildings. He knew we had transferred the stock. He suggested further investigation. I do not think there was any disagreement; it was a matter that we knew it was two years, we knew we were closing the building and we knew of the further investigation. I think they were aware of that. I do not think there was any discrepancy between their thinking and ours except that we had not traced it all down.

Mr. Epp: Okay.

Miss Gibbons: Although no discrepancy is acceptable with public funds, I think Mr. Ackroyd suggested this morning that it is a marginal discrepancy in relation to the total volume of business that the LCBO does. However, it not acceptable.

Mr. Epp: I agree. It is \$75,000 out of \$1 billion?

Mr. Ackroyd: Not if you took two years' sales. We are selling \$1.6 billion worth one year and \$1.7 billion the next. In the two years, we are talking about \$3.3 billion. If you relate it to that, we are talking about one one-thousandth of one per cent.

Mr. Epp: It is a very marginal amount.

Mr. Ackroyd: I strongly agree with the deputy minister. You cannot put out any figure and say, "That is an acceptable level." Whether it is \$10,000 or \$75,000, I do not find it acceptable.

Mr. Epp: No, I agree, but it is understandable.

Mr. Ackroyd: Very understandable.

Miss Gibbons: And much more lower than the practice in major retail organizations.

Mr. Epp: What is the position with regard to the smaller brewery companies selling their beer in Brewers' Warehousing or in Brewers' Retail, like Brick beer, for instance, which happens to be in my riding? I just happen to recall that.

Mr. Ackroyd: That is something we do not deal with. To the best of my knowledge, most of the new, small microbreweries have joined the Brewers' Warehousing distribution system. I do not know what the financial arrangements are, but I know that they worked out a special financial arrangement between Brewers' Warehousing and these new microbreweries. If there are one or two that have not joined, I am not aware of who they are. To the best of my knowledge, most of them have joined the Brewers' Warehousing distribution system.

Miss Gibbons: They are a part of that system and they have all the advantages of belonging to a part of that system in terms of price increases, listings and displays in the retail outlets of Brewers' Warehousing.

Mr. Epp: With regard to the acquisition by an Australian company of Carling O'Keefe Breweries of Canada Ltd., would you people in any way be consulted about the impact in Ontario before it is approved by the federal government?

Mr. Ackroyd: In most cases, when there is a merger or a takeover, we are usually approached, one might say, out of courtesy. For instance, Allied-Lyons came to see me well in advance. I had people in to see me the day before yesterday about an acquisition or a change in a contractual arrangement for a product. I was advised weeks in advance of Meagher's Distillery Ltd. buying out Morrison Distillery. In many of these cases, yes, the principals, sometimes the buyer, sometimes the seller, sometimes both, will make us aware of the pending merger, takeover or purchase. They may want to know what the rules are with regard to protecting brands and a number of things. Specifically, I have not been approached by either party regarding the Australian company with respect to Carling O'Keefe.

Mr. Epp: On a lighter note, my final note, if we were to have full free trade, would it mean we could go across the border and buy our liquor products duty-free and import them into Canada at a much-reduced price?

Mr. Ackroyd: You are going to have to find out what has to be changed in the Importation of Intoxicating Liquors Act, customs rules and those types of things.

Mr. Epp: We might endorse it a little more quickly if that were the case.

Mr. Ackroyd: There are still some other rules that apply.

Miss Gibbons: With full free trade, you might not have to cross the border. It will be in your backyard at half the price.

Mr. Mitchell: A while ago, we were talking about theft and the Provincial Auditor's report. What it eventually came down to was about \$75,000. Putting all that aside, first, who has access to your terminals? Who has access to whatever code you might be using? Who is able to move your stock around by using that computer? Coming down to the basic question, do you have any program in place with regard to computer theft?

Mr. Ackroyd: I personally do not know of any program we have in place to deal with somebody's stealing a program from us or something of that nature.

Mr. Mitchell: I am not talking about somebody stealing your program. I am talking about a fellow who can sit down at a computer, order 50 cases of VO to be delivered to such-and-such a place and enter into the log that it has already been paid for, and do all sorts of good things like that.

Mr. Ackroyd: I think I have to defer to Mr. Kelly or to Mr. Wilcox to answer your question.



Mr. Mitchell: I am interested. While they are coming up, I will explain why. There is a book out called, basically, computer theft. Some of the examples are of a fellow who worked for a bank in London, England, who managed to steal so much money it embarrassed the bank. They did not want to admit the guy was able to steal it, so they appointed him their computer security chief. That is factual.

Similarly, a chap in California who had studied computers was walking by this computer factory and found a lot of old tapes, disks, component parts and so on that were being thrown out. He took them home and eventually managed to gain access to their programs and was able to transfer or order parts and what not for himself through them. He wound up actually clearing away with millions of dollars in computer parts, so it is done. As a former chief of police, you would know it is done. I am sure you would know of those situations

With an operation the size of the LCBO and the amount of product that goes through its warehouse, are you doing anything to ensure that your computer security is such that nobody can do that?

Mr. Ackroyd: That is a good question. I am not sure I can give you an accurate answer. I am going to defer to Mr. Wilcox or to Mr. Kelly, who is the management information services division man.

Mr. Wilcox: Speaking for the warehouse at Whitby, we have several layers of computer security in terms of being able to access the physical data base and being able to rearrange the data that is there.

The warehouse workers on the floor have no access to our terminals, other than to ask for information to come back. They have no capability of changing information. We have a small group of computer console operators who are able to command the machines to move from place to place, turn them on, turn them off and ensure that inventory records are correct within the confines of a check and balance.

In other words, if they ask for a pallet to be removed, which is a feature we have put in for our auditors, the computer that is removing the pallet instructs our management computer that a pallet has been removed and that the ownership of that pallet has been transferred to our management computer. There is an audit trail of those transactions.

There is a very high-level security access to our computer that only our software manager at the warehouse has in order to be able to talk to the people who wrote the programs in terms of making any modifications to our database.

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We have checks and balances with the Canada Customs people, whereby a product that comes in and is held in bond is balanced back to our payments, is balanced back to our shipments to our stores. We have a variety and different levels of computer security. That is not to say somebody who is very bright could not come in and break our code.

We spent a great deal of time and the contractors who worked on our job spent a great deal of time in developing a computer security that we feel is more than adequate for our building. The same principle we use in our Whitby facility is used in our corporate facility in shipments to stores from our warehouses. The same types of checks and balances occur. There is a check on a

receival coming into the warehouse against an accounts payable and there are the custom entries that go forward, accepting responsibility for product. Then, as we ship to our store, there is debiting and paying the duties and excise owed on that.

Both our own internal auditors and the Provincial Auditor have gone through and audited all our warehouses at least once a year to our book value. We have seen no indication that there has been any playing around or any type of computer fraud perpetrated on us.

Mr. Mitchell: Okay. I was not being facetious when I gave you that story about the bank employee. It is factually correct and true, the same as with the computer fellow. In fact, computer theft is one of those things. It said this in the book. People just do not want to own up to the fact that where they have very sophisticated equipment and so on, somebody is able to use that system for his own personal gain and good.

I assure you, and I do not do it lightly--I spent 20 years of my life, longer actually, in a business called communications security--that when you get complacent, everything else is being done to you. I suggest you may care to look into some of that. In fact, I suggest you talk to the people who were in your communications branch in the Metropolitan Toronto Police and those with the Ontario Provincial Police, because it can be done, believe me.

I will go on to some mundane things. I was at the Vintages store on Queen's Quay and I watched some people. I thought they were probably going to a fancy ball that night. They drove right up into the handicapped parking and got out as if that handicapped parking were specifically for them and in they went. I was not able to catch up to them; so when I went in, I spoke to one of the clerks at the cash. I said, "Do you do anything about people who use the identified handicapped parking who are not handicapped?"

I did not get his name, and I should have, but he was very unconcerned about the whole fact that specific parking spaces are identified. I said: "Will somebody go out and make sure? Do you have the ability to ticket people on your lot? Will someone go out and make sure these people are aware they are parking in a spot reserved for someone with a handicap?" Again, I did not get a very satisfactory answer.

No matter whether you share a parking lot, as you do with the IGA in the City View area in Nepean, where there are handicapped spots, it is as much the responsibility of your employees and the other people's employees to make sure those spots are used by those people. I hope you have some methodology within your staff. I think people look to your staff to be helpful in every way, which is something they should be doing. That was really by way of comment.

Mr. Ackroyd: Can I react to that, please?

Mr. Mitchell: Yes, certainly, by all means.

Mr. Ackroyd: I completely share your views. I will check. We have a person who is authorized to tag on our property there. I will check on his authority. I do not know if his authority to tag is restricted to certain bylaws and not others, but I will certainly check to see if he has the authority to tag for the bylaw for handicapped parking. I know he has for straight illegal parking on our lot.

Mr. Mitchell: In the fire lanes and so on.



Mr. Ackroyd: If he has that full authority, I will make sure that is looked after. If not, we will try to get his authority amended to do so.

Mr. Mitchell: Great. I believe the LCBO bottles a great many types of alcohol under its own label. How is that bottling done? Is it done by the supplier you are buying from at that time and then your label is put on? How is it dealt with?

Mr. Ackroyd: I do not know for how long, but for a number of years--certainly long before I arrived there--the LCBO has been in the bottling business. We have a bottling factory.

Mr. Mitchell: That is what I was interested in knowing.

Mr. Ackroyd: We tender our bulk product and we buy a number of products that we bottle. We put on our own label and sell at a floor price. For instance, we buy bulk rum from Barbados and bottle it. That was one of the problems, if you remember, with the ethyl carbamate; we made an error. We bottle and are the sole suppliers of Alcool, which people want to use for punches and recipes and this type of thing. We bottle a number of products at the LCBO.

Mr. Mitchell: I did not realize you had your own plant. I thought you licensed somebody to do it. Even though I have been here a while, that shows you--

Interjection: Where is it?

Mr. Mitchell: Yes. Where is the bottling plant?

Mr. Ackroyd: It is right at head office at 55 Lake Shore. It is on our property.

Mr. Mitchell: It is only the connoisseurs like myself, though, who can tell what good brands of Scotch you are bottling at that particular time of the year. You are not going to comment on that one.

Mr. Ackroyd: I had better not comment for public record.

Mr. Mitchell: I want to go back to this whole issue of employment that we were on today, because I think Mr. Ashe and I know it is part of the give and take in this political process that one will say this and the other will say that. But, quite factually, I have had it from your office in Ottawa, and this goes back to the time I first became a member in 1980 that, first off, you could not hire people from the street for full-time employment. They had to be from within the system.

Second, they had to have been part-time for at least some period. In the case of a number of part-timers they have in the system, four years is the figure they were quoting me.

Third, putting all that together, they had to have passed a civil service exam and have gone through the interview and so on before they could ever assume the hope of getting a job.

Actually, what I myself found was that the employees of LCBO are their own worst enemies. If an opening was going to come up, they just spread out in rows across the various ridings, trying to get assistance in getting that

full-time job, but they did not keep it to themselves that the job was coming up. They spread it out far and wide, so it wound up that 1,500 people in one area knew the job was going to be there.

Mr. D. R. Cooke: Sometimes even Liberals heard about it.

Mr. Mitchell: Sure; precisely. You see what I am talking about--the give and take. Mr. Cooke prefers to think we had an edge. That is a fallacy that was created somehow or other. Mr. Ashe is correct; that advantage was not there. I admit sometimes it would have been nice to be able to say, "Sure." I know there was a partial answer given this morning, and I hope you answer Mr. Ashe in writing, because that was changed. I wanted to comment on that.

If there had been an edge, I am sure every one of us probably would have made that attempt to help some of our constituents. We had to be straight with them, "Look, you have to qualify yourself the same as anybody else." Again, I look forward to that letter.

We talked this morning, and I would like a quick comment from yourself; Mr. Offer made his committee report this morning. He had a press conference and so on. When I just mentioned it to you briefly, we did both agree that most of it had to do with liquor licensing. However, there were board representatives from the LCBO on that committee, I understand.

Mr. Ackroyd: Yes, the vice-chairman was a member of the committee.

Mr. Mitchell: Then I have to come back to the question that one of the issues discussed was the age of drinking. The committee came back with a recommendation that it not be changed. You are a former chief of police, and maybe this is somewhat unfair, but none the less I have to question, with all the argument out there about changing the drinking age, just what is and what was the position of your vice-chairman to that committee?

Mr. Ackroyd: I cannot answer that. I do not know what position he took and I have not discussed that with him, so I cannot answer that question. By the way, I do share your remark that it is an unfair question.

Mr. Mitchell: I like to put people on the spot sometimes. I really did not expect an answer, but it does seem--

Mr. Ackroyd: I would give you an answer, but I want to go and put my old hat on.

Mr. Mitchell: All right, go ahead then, if you want to do that. That is good.

Mr. Ackroyd: I will give you a frank opinion. When that was proposed, representing the chiefs of police in both Canada and Ontario, my submission at that time to the government was that if you are going to lower the drinking age, why do you not lower it one year and assess it and see what happens? Then if the consequences some people were predicting do not happen, try another year.

At that time my prediction, as the chief of police, was that accidents and drinking and driving in that age bracket would go up. People did not agree with me, so we monitored it, and the year before the drinking age was lowered from 21 down to 18, I think in total in Metropolitan Toronto, there were 46 people charged in that age category--I could be out one or two on that, but it



was in the 40s--with driving while they were impaired. Those would be people who were stopped in spot checks or people who were in accidents or people who were roadside tested or something of that nature. Within two to three years, I believe, that figure was over 1,000 people in the 18 to 20 bracket who were charged.

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I had some concerns, because if you looked at accident data and the drinking and driving statistics that I was examining at that time--and again it is three years since I have looked at any of those statistics--and, in fact, prior to that, that was the concern we as chiefs had. Would there be an increase in accidents by drinking drivers who were young people? The other trend we began to see again was, if 18 was the legal drinking age, were the 17-year-olds and the 16-year-olds starting to show up in the hotels. Those were some of the concerns we raised. That was some of the factual evidence that we dug out.

On the other side--and it is a very personal viewpoint--although it was accomplished to come back up a year, I think it is always very difficult when you legislate something and give people the legal right to do something and then say we made a mistake and take it away. I think that is a difficult process for government. We in policing recognize this is a difficult thing. How do the courts view it if it is legal today but illegal tomorrow?

Mr. Mitchell: As the young fellow says, "If I can go to war, why can I not have a drink?"

Mr. Ackroyd: I think that is a difficult position because there is a balance there. As I say, I am not wearing my hat now as the chairman of the LCBO. You asked me my views as a former police chief and those were my views when I was in that position. I have not been privy to what evidence was coming in over the last two or three years. I have not been privy to the research or what opinions are. I know it is a very divided issue, but those are our thoughts on the topic.

Mr. Leluk: Chief, I would like to ask a follow-up question on the same task force report that was--

Mr. Ackroyd: I am grinning only because I resigned three years ago next month.

Mr. Leluk: On the same task force report, along the concerns that Mr. Mitchell has just expressed, I have a concern with the fact that we are again recommending the liberalization, if I may, of the drinking laws in this province, allowing establishments to stay open till two in the morning and to start serving liquor and beer at 10 in the morning.

It seems to me that making the product more available to consumers is going to lead to more people having more time to get inebriated or intoxicated, and then getting into cars and driving away from bars, restaurants or wherever. It concerns me that every time there is a recommendation of this type from the present government, it also, at the same time, talks about bringing in tough new penalties against drivers who are driving while impaired or intoxicated.

Now it seems to me that if you make the product more available, readily available for longer periods, as I said earlier, we are going to have bigger

problems out there in the street. I would like to hear your comments as a former police chief on this, because the government was espousing beer and wine in the corner store at the same time as it was saying, "We are going to toughen up on the drivers who are intoxicated." How the hell can you have both of these going on, where you are making it more available and then talking about a get-tough policy with intoxicated drivers?

Mr. Chairman: Mr. Leluk, I can appreciate what you are driving at, but I think we are putting the chairman in a rather difficult position to speak as an ex-police chief and comment on something that the government has not yet done.

Mr. Leluk: I know it was a rather unfair question, Mr. Chairman.

Mr. Chairman: I think we are getting into the wild and woolly area of make-believe.

Mr. Mitchell: You should have heard him this morning.

Mr. Chairman: I will bet. Mr. Leluk, I think maybe that is something you might discuss with Mr. Ackroyd on his own rather than in a public meeting.

Mr. Mitchell: A final question, briefly, can you please explain what your new logo means? To me, it looks like the bottom of four bottles in a case.

Mr. Ackroyd: So I do not miss any points, in your kit there is the new 60th annual report. Just inside the front cover, there is everything that the consultant on the staff saw in the new logo. That is a matter of interpretation of a logo. It is just inside the front cover.

Mr. Mitchell: I was not wrong.

Mr. Chairman: We are in no position to discuss anybody else's logo. Ours is no hell either.

Mr. Mitchell: I am not even going to get into that right now.

Mr. Chairman: All right. I have the chairman's name on the list.

Mr. Mitchell: Do you want to take a seat here?

Mr. Chairman: No. You do not mind if I ask a question from here?

Mr. Mitchell: No, not at all.

Mr. Chairman: That is fine. I do apologize for being absent this morning. A subject was raised that I wanted to discuss and that is to do with the duty-free store at the airport. It is my understanding that the federal government is considering not renewing the lease in that store. I would like to know just where we are going out there. What are the thoughts of the board?

Mr. Ackroyd: Just before I answer your question, Mr. Chairman, with permission, can I correct something that went on the record this morning? When they asked me about the profits, I said the figure that came to my mind, but I was not sure, was somewhere in the \$7-million to \$8-million mark. I was in error. I would like to correct it on the record that for the year ending March 31, 1986, the sales of duty-free at the airport were \$9,480,217 and the profit was \$1,786,565.



Projected to year-end, we are looking at about an eight per cent increase so far this year. Just for the record, I would like to correct my error.

Mr. Ashe: That is net profit?

Mr. Ackroyd: Yes.

Going back to your question, Mr. Chairman, on the duty-free at the airport, this originally surfaced at the LCBO by us being approached by the people who have the duty-free contract there. Allders is the company. The point they raised with me was the fact that with the increased security today at the airports, I suppose not only in Ontario but also in Canada and the world, the delay to the travelling public, the fact that people are now being asked to report in two hours ahead of flights--three hours ahead for flights out of the country--there is tremendous inconvenience to the travelling public in Ontario by having two-stop shopping at the airport. That is one point they raised.

The second point they raised at the meeting was the present thrust of the federal government, in conjunction with the provinces, of privatizing duty-free stores at the land border points. I gave the locations this morning, but there are 13 land border points where duty-free operations are going in and being privatized. Four of those contracts were let; one withdrew and is being reconsidered; four are in the works right now. My deputy minister and her counterpart in Ottawa may be announcing the second four within the next week or two, leaving five to go to tender in the not-too-distant future.

With these two points, I made it very clear to Allders that I would be in no position to hand it a contract with those kinds of sales, which are projected this year at over \$10 million. If any decision was made by government that it was going to be privatized, in my opinion the contract would have to be done by public tender. I alerted the deputy minister and the minister of the concerns of Allders in this area.

I do not have this factually, but our contract for space was running out and there seemed to be some indication to me that the federal authorities, the Department of Transport, would possibly prefer that they would not have to deal with two people running duty-free, two warehouses, two sets of people taking articles to the aircraft and so on.

We are on a short-term extension. I do not know exactly when our lease is up. I know we have a short-term extension in this matter. I have reported to the deputy minister and the minister that Mr. Allders has raised this issue. No decision has been made on it. Our employees are concerned. I have met with the union and some of our employees. My position on it is that if that decision were made, I would certainly want to do everything we possibly could at the liquor board to accommodate our people.

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Mr. Chairman: You say it seems to be a federal government policy that these stores will be privatized?

Mr. Ackroyd: They certainly have adopted that policy as far as the land border points are concerned. I have not sat down and talked with them personally. I do not know if any of our government officials have talked to the federal people on this. I cannot answer that. It has just been brought to

my attention that there may be some difficulty as far as keeping our lease there is concerned. Nothing official has come to me. I am passing that on as we hear it.

Mr. Chairman: You say they have privatized four and are in the process of privatizing another four?

Mr. Ackroyd: Yes.

Mr. Chairman: This seems to me to be a policy and a direction.

Mr. Ackroyd: With the land duty points.

Mr. Chairman: It seems almost inevitable that all of them are going to come under this decision.

Mr. Ackroyd: That is one of the points Allders raised; if you are going to have 13 duty-free privatized operations in Ontario, why are you going to keep one under the wing of the liquor control board?

Mr. Chairman: Is there some justification for doing just that?

Mr. Ackroyd: Again, we are running the operation there. We have 60-odd employees there. They are doing a good job, providing a good service. The points that Allders has raised I have already put on the table, but I do not think this is a decision that I, as the chairman of the liquor control board, will be making. That decision will be made between governments.

Mr. Chairman: You mention that it is a federal government policy. It has been done in eight cases, but we have not made a decision yet as to what we are going to do with this one. This leads me to ask you, is there then some reason--because it is the airport or whatever--this one could be treated specially and remain as is, rather than go the privatization route?

Mr. Ackroyd: From my viewpoint, the answer is that we have been there for some time. We have been running the duty-free operation. There were not any duty-free operations at the 13 land border points.

Mr. Chairman: I see.

Mr. Ackroyd: Those are new.

Miss Gibbons: There probably are three considerations that Mr. Ackroyd has touched on in relation to this specific one. One is improved service to the public, which Mr. Ackroyd spoke about this morning. Another is economics. Is it a better deal for government in terms of the revenue it will generate? Third, the fact that staff do exist on site and are performing a service at the moment has to go into the planning. As all of these factors come together, Mr. Ackroyd and his staff will make a decision on each of those points--better service, better economy and some planning for staff. At that point, the government will make the decision on that site.

Mr. Chairman: It seems to me \$1.75 million in net profit is a substantial reason for continuing the operation.

Miss Gibbons: Unless the tendering process, if we were to go that far, uncovered that profits could be increased, because of efficiencies in the system, because staffing costs would be lower or--



Mr. Chairman: The profits to whom?

Miss Gibbons: To government.

Mr. Chairman: From a private operation?

Miss Gibbons: Yes.

Mr. Chairman: In that unit up there, who has the authority for selecting the type of stock for this area?

Mr. Ackroyd: Basically, we do not run that through any committee. The executive vice-president, operations, who is here today, along with two of his staff, works with the manager of the duty-free store at the airport. They make those kinds of decisions based on the best information they have of what the travelling public wants.

Mr. Chairman: Does the manager have some input?

Mr. Ackroyd: Yes. To the best of my knowledge, he has. I remember at one of the more recent meetings with some of the unions someone raised something about one of the products. I checked it with Mr. Jackman, who is here today, and he had already approved of that going into the duty-free shop.

Mr. Chairman: Is it true that they have only two kinds of Canadian wine in this duty-free shop?

Mr. Ackroyd: I will have to turn to Mr. Jackman to answer the question.

Mr. Chairman: Can you touch on that one?

Mr. Jackman: Yes. There are only two. We introduced only two at the request of the manager. There is very little saving in terms of wines. The only reason we were asked to put them in the store was to accommodate people going back to England who wanted to take something specifically Canadian. There was a small saving there. That is all we have ever been asked for from the manager of that store.

Mr. Chairman: I have often wondered. I think some ministries should talk to one another, because I imagine the Ministry of Industry, Trade and Technology will be very interested in that answer, that the only reason we are putting them there is as a convenience for people who want to take a souvenir back to England. I am sure our Ministry of Industry, Trade and Technology, and probably the Ministry of Agriculture and Food, are be interested in promoting Ontario wines. I am aghast that we have only two kinds available at the duty-free shop going out of Ontario.

Miss Gibbons: My sense is, though, that what Mr. Jackman says about the attractiveness to the consumer in terms of price is minimized at the airport. They do not see a big advantage to them in purchasing the wine.

Mr. Chairman: You are going on the premise that the only reason people buy Canadian wines is that they are cheap.

Mr. Jackman: No.

Miss Gibbons: No, I would suggest they do not have the tax break.

Mr. Jackman: The federal taxes on wines are much less than they are on spirits.

Mr. Chairman: Naturally, they are going to take advantage of the tax breaks, but is it not possible that people might buy something there because they want the product? Many people, given a selection, might like to take some Canadian wine home or take some Canadian wine with them when they go somewhere else. I just find it--you rolled your eyes. You do not like Canadian wine. I do not either, particularly, but then I am not a wine drinker.

Miss Gibbons: I did not roll my eyes.

Mr. Chairman: I find it rather counterproductive that is happening when we are trying to promote Ontario wine, possibly around the world but certainly in North America, and yet we have on display all kinds of Scotch--made in Scotland, I expect--all kinds of rum made in Barbados and this sort of thing, but two bottles of Canadian wine. I find that a little strange.

Mr. Ackroyd: It is a very interesting point. I have never had an Ontario winery or the Wine Council of Ontario raise that issue with me, but I will certainly look into it.

Mr. Ashe: I did not know they carried any wine.

Mr. Chairman: Maybe that is why Canadian wineries are not doing so well; they are not raising enough questions like this and it takes members of the Legislature to do so.

Mr. Ackroyd: I will certainly check with the wineries.

Mr. Chairman: The other thing is that in the other shop up there, you are able to use credit cards like Mastercard, Visa and this sort of thing. Is there something in the Liquor Control Act that precludes this? In other words, does our liquor store at the airport not adopt credit cards for people travelling?

Mr. Ackroyd: No, there is nothing in the legislation. To the best of my knowledge, and we also discussed it this morning, it has been the government's policy for some time now, at least in the nearly three years that I have been with the liquor control board, that credit card shopping has not been permitted in any liquor outlet.

Mr. Chairman: It is the same sort of logic that says we can buy cigarettes with credit cards but we cannot buy food. Is that right? You cannot buy groceries with a credit card.

Miss Gibbons: It is a similar policy established, yes, but as Mr. Ackroyd says, it is a policy that has some history to it. Mr. Cooke asked this morning whether, as we were exploring the notion of introducing credit cards into liquor stores, we could also look at groceries. I said to him at that point I did not think my ministry was seized with the responsibility to deal with credit card policy vis-à-vis grocery stores.

In checking it out over lunch, I determined that in the past, a gentlemen's agreement had been struck between grocery stores and the government around the introduction of credit cards, the decision being not to do that because there was a sense of increased vulnerability to the consumer without a lot of cash to support the expenditure. I would think it is the same



kind of philosophy and position that was taken vis-à-vis credit cards. As we discussed this morning, this is not to say it is not a notion that can be entertained and another policy position put forward for consideration. But at the moment we are effecting an older policy.

Mr. Chairman: Can we assume for a minute that if someone is travelling at the airport and is able to afford a ticket to go somewhere on an airplane, probably we are not putting him in extreme debt by allowing him to buy a bottle of booze on a credit card? It seems logical to me. I do not know why we do not allow people to buy food or groceries with a credit card. If a person has to buy food and groceries with a credit card to save himself from starving, I do not see a lot wrong with him doing that.

Mr. Ashe: Starve now or 30 days from now.

Mr. Chairman: I would rather starve 30 days from now than today. Really, it is a silly argument. I feel it is rather archaic that, in a busy airport like that, somebody cannot use a credit card to buy his liquor.

Mr. Ackroyd: It is an interesting analogy when one considers that the moment those 13 land duty points are privatized, they will all be able to use credit cards. If Lester B. Pearson International Airport were turned over to the private sector, they would be using credit cards.

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Mr. Chairman: I would hate to use that as the logic for selling it off. Do you want a supplementary on that point?

Mr. Ashe: You said part of what I was going to say, chief. There is no doubt it that one of the disadvantages of credit cards at a single source is that it is a busy airport and it slows things down considerably when you have one-stop shopping. That was not my question.

Is there any particular policy, anything within your contract with the Department of Transport or any dialogue with the airlines about the fact that, at least generally, the store there does not seem to compete with the product that is sold on the airplane itself? I am talking not only about the minimum selection at the airport but also, more importantly, about the size.

Most of the products you sell are the large, 1.14-litre bottles. Again, I stand to be corrected on this. Frankly, I am not in there that often.

Mr. Ackroyd: They are pretty well standard litres at the duty-free shop.

Mr. Ashe: Yes, litres and bigger. It seems to me that some people might like to buy something to take with them for the other end, but they do not want to haul around a great big bottle of booze. I appreciate that you have only so much space. Why not try in some way to accommodate somebody who just wants to take a bottle with him to have at the other end? In a lot of cases, this would be the 375-millilitre bottle or the 500-millilitre bottle, which seems to be available on the aircraft if you run fast enough to get there before they are sold out.

Usually, with the attractive products such as Crown Royal, etc., if you do not run fast, you are out of business. It might be more available when you have more leisurely time, before you sit and wait in the lounge for an hour.

Mr. Ackroyd: I am going to ask Mr. Jackman to answer the question. I may have been confused when you were talking. We handle litres in the duty-free operations and 1.14-litre bottles in our stores. I thought you were referring to the size differential. Do we handle any 750-millilitre bottles at the airport?

Mr. Jackman: A few, yes.

Mr. Ashe: I am talking even smaller, though, the 375s and the 500s.

Mr. Ackroyd: Do we handle any?

Mr. Jackman: Some of the airlines sell the 500 size on flights. They do so primarily because they do not have the space available to sell the larger ones. They have a limited section of, say, half a dozen products they offer.

In our operation, we have found the litre to be the most popular size, particularly for the American travelling public, because that is the maximum they can take back.

We too suffer from space limitations, and we can hold only so many products, particularly if a 747 is taking off and we have 300 passengers, a good number of whom make purchases. There is a lot of product going out at one time; so you will notice we have rows and rows of Canadian Club, VO and popular brands to accommodate that sale. The airport will not give us any more space. That is one of our problems; so our product selection in terms of size and so forth is limited too.

Mr. Ashe: That is the only reason. It is not by design.

Mr. Jackman: No.

Mr. Ashe: Is it strictly a matter of space.

Mr. Jackman: We would give them whatever they asked for if we were able to do so. That would be our policy.

Mr. Ashe: Mr. Gregory has a concern about the Ontario wines. Frankly, I did not know they sold any Ontario wines; now I know they sell two of them. It would seem to me you should be a little more accommodating by at least having one brand of rye, rum or whatever in the smaller size; not a variety, because you do not have the space. It seems to me you should have one, at least. Anyway, that is only a personal opinion. The market surveys may not justify it all, seeing as I have not taken one, except my own personal marketing survey.

Mr. Jackman: Certainly, we will review it to see whether there has been any request for that size of bottle.

Mr. Chairman: Was that your supplementary? I have not heard yet what it was supplementary to.

Mr. Ashe: It was supplementary to your question about the product that is carried.

Mr. Chairman: Nice move, George. May I get back to the privatization of the shop at the airport? You mentioned you would be interested in taking



action to assure the jobs of the people who are there. In what way can this be done? If the store were privatized, how could those jobs be protected?

Mr. Ackroyd: If that decision was made, if there was a government decision between the province and the federal government to privatize that airport, one of the things we have thought about is to start immediately to look at each vacancy that occurs and find out which of our staff, say, at the duty-free operation at the airport would be interested in that specific job. Then we could hold that job for that person, so that at the time of the takeover of the privatization we put someone in there on a contractual short-term basis for the period of that time. That is one kind of mechanism we have looked at.

Mr. Chairman: I understand the policy of the liquor control board now--and I could be wrong on this--is that for those who want to work at a store, it usually picks someone who lives in that community. With the airport being, if you like, part of no community--if any community, it is part of Mississauga--would that mean the people who lost their jobs because of privatization could secure employment only at a store within a location where they live, or would they have access to the vast array of stores across Metro Toronto and the greater Toronto area?

Mr. Ackroyd: I think some of the things I want to look at are where they live and what is the most convenient location for them. That is what I say. As each job opened up, the mechanism we have been looking at if this happens, to do some planning into the future, is to make the employees at the airport aware that this vacancy is occurring, looking at maybe the most senior people there, find out who are the most senior people interested in that particular job and start to plot on where we can move people if that occurred. That is one mechanism.

The other mechanism may have to be that if it is closed then we temporarily put people into areas where we are overstaffed until attrition takes care of it.

Finally, we have to look at the mechanics of trying to accommodate our staff.

Mr. Chairman: This is probably an inaccurate example, but suppose 75 per cent of the people working at the airport store lived in the city of Mississauga. Whereas it might not be true, it would seem it could be very logical because it is in Mississauga. Does this mean that 75 per cent of the employees there would have to wait until stores opened up in Mississauga, or would stores in Metro Toronto be available to those people even though they lived in Mississauga?

Mr. Ackroyd: I think we can look at all of the surrounding areas. Hypothetically, if they all lived in Mississauga--I guess that is highly unlikely, but let us assume they do; there are 70 people and they all live in Mississauga--I think we would have to look all the stores and all the positions that would come open in some reasonable distance of that location. That would take them well into a great, big chunk of Toronto, Etobicoke and, going the other way as well, down to Oakville. There are a lot of areas you could look within some reasonable travelling distance for our employees.

Mr. Chairman: You would take that into consideration. Because of the extenuating circumstances, the people should not suffer simply because of parochialism, where they live.

Mr. Ackroyd: The point I was trying to make was that I would not want to wait until the 11th hour, till the day we closed it. I think I would want to start on it the moment the decision was made.

Mr. Chairman: Would the employees be kept abreast of what is happening?

Mr. Ackroyd: I would certainly intend to keep them well abreast. I assured the union representatives who came in and saw me, the moment I hear of anything on this matter I will certainly be in touch with them immediately.

Mr. Chairman: So you do not have any reason to keep anything back from them.

Mr. Ackroyd: No, I do not.

Mr. Chairman: Okay.

Ms. Bryden: I am sorry I was not able to be here this morning, because I think you discussed a lot of important topics that I would have been interested in but, unfortunately, I had a previous engagement. However, if there is slight crossover in some of my comments, perhaps the committee will indulge me and permit Mr. Ackroyd to answer them.

First, I imagine you have not had time to study the report of the Advisory Committee on Liquor Regulation which was just released today, but you did have a representative on that committee and you are probably somewhat aware of the recommendations.

Mr. Ackroyd: On that point, I have not had a chance to read the report. As I say, I was here this morning at 10 o'clock and it arrived at my office as I was leaving. I have not had a chance to look at it yet.

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Ms. Bryden: I just have two or three questions that perhaps stem from it, but I think you as chairman of the liquor control board may have an opinion on it. The thing that concerns me most about the report is the extension of hours from 10 a.m. to 2 a.m., and that is the actual serving of alcoholic beverages in that period. At present, as we all know, it is 11 a.m. to 1 a.m. in most establishments. Your rules are that the doors must be locked a certain time after the end of the serving of alcoholic beverages. Is that correct, or are those rules that the Liquor Licence Board of Ontario makes?

Mr. Ackroyd: All of that is the LLBO. I do not deal with any of those issues at the LCBO as far as the hours of sale in licensed establishments are concerned.

Ms. Bryden: Do your inspectors not monitor whether the store has closed at a certain time after 2 a.m., or whether it is serving alcoholic beverages after--

Mr. Ackroyd: All the licence inspectors who deal with the licensed bars and hotels are in the employ of the LLBO not the LCBO.

Miss Gibbons: Maybe I can clarify, Ms. Bryden. This report is intended to look at the liquor licensing laws in the province. Although Mr. Ackroyd had a representative on the board, he was there as a person with some



knowledge in the area of liquor but acting as an independent person and not feeding back to Mr. Ackroyd on how the discussions were going. He had a formal function to identify potential linkages between the board and the liquor licensing policies but not to speak on behalf of the board. He was there to identify the issues and then to participate as part of the committee on how it might deal with the facts and recommendations around that. Mr. Ackroyd will have been seeing this report for the very first time and will have had no input prior to this on what is contained in that report.

Ms. Bryden: Your inspectors are inspecting for compliance with the rules regarding the sale of liquor but not rules imposed by the LLBO; is that correct?

Mr. Ackroyd: We do not have inspectors.

Ms. Bryden: You do not have any inspectors?

Mr. Ackroyd: No. We have supervisors who go into our own liquor stores and our agency stores, and we have auditors who audit distilleries, wineries and breweries and go in and audit our stores. All the inspectors--using that term--are employed by the LLBO; they do the inspection or the checking of licensed hotels, dining rooms, dining lounges and the licensed establishments in Ontario.

Ms. Bryden: So they are the ones who will have to cope with whether the stores close at the appropriate time. That is one of the major changes in this report, and I think the extension of the availability of liquor in this province does concern a lot of people. However, we are not discussing that report.

Who monitors the food-liquor ratio? Do its inspectors also monitor that?

Mr. Ackroyd: The LLBO's, yes.

Ms. Bryden: So that is something we will also have to look into when the other board is before us.

Who issues the special occasion permits?

Mr. Ackroyd: The LLBO.

Ms. Bryden: I notice it is changing that to limit it to approved fund-raisers, and that bothers me as to who will approve what is a fund-raiser and on what terms. However, that is something else we will have to look at elsewhere.

Is the LCBO involved when people ask that the number of outlets in a given municipality be limited? Do you have any input, or does the LLBO ever ask you whether you think there could be more of less liquor outlets within a given geographic area?

Mr. Ackroyd: Not from the standpoint of licensed premises. We, of course, would determine at our board from our mandate whether a liquor store went into the community or a trailer or some provision of selling alcoholic beverages, but as far as the hotels, licensed cocktail bars, licensed dining lounges or licensed dining rooms are concerned, that has nothing to do with our board; that is the LLBO.

Ms. Bryden: Would the sale of beer and wine in the grocery stores come under you, if it were permitted by law?

Mr. Ackroyd: In all probability. Again, if it became law, I assume that we would be involved in the distribution of the product in some way. Not having any legislation and not knowing how the legislation would work, I assume the licence board would be doing some inspecting and we would be doing some auditing as well.

Ms. Bryden: Have you made any studies of the possible costs of such a distribution system?

Mr. Ackroyd: Of beer and wine in grocery stores?

Ms. Bryden: Yes.

Mr. Ackroyd: Yes. At the time, we made a submission to the government of our best estimated guess based on the experience in Quebec, if that was a valid study. We made a projection to the government of what we thought the revenue implications would be.

Ms. Bryden: What was your conclusion?

Mr. Ackroyd: From memory, I think we anticipated a loss of revenue in the neighbourhood of \$80 million to \$90 million. To clarify that figure, the experience in Quebec has been that when people shop for beer and wine in the local grocery store, we lose the impulse buying that occurs when they go into one of our self-serve stores. If you walk into one of our self-serve stores, maybe all you want to do is buy a bottle of wine, but if you see a new liqueur or a new product on display, you may buy that product or some other product at the time. Quebec's experience was that it did lose a lot of that impulse buying and that its revenues did drop.

Ms. Bryden: It is a fairly substantial figure. As you say, the Quebec experience is about the only basis on which you can study it.

Mr. Ackroyd: If it were applied in Ontario.

Ms. Bryden: Getting on to another topic, I am interested in the makeup of the LCBO. I notice that the names and biographies of the five members have been given to us. Is there any limit on the number of terms a member can have, and what is the normal term of appointment?

Miss Gibbons: If my memory serves me right, it is one term of two years renewable once. Actually, it has just recently been changed. I think the policy has just been redone and that the terms of the appointments have been altered. We can certainly find that out for you, probably by a very quick call. It is a schedule 2 agency appointment.

Ms. Bryden: I notice from the information given to us in the briefing book that Mr. Hooper has been in since December 15, 1981, which seems to indicate six years, several reappointments.

Miss Gibbons: Under the old rules, it was two three-year terms with the potential for an extension by the decision of cabinet. If he is in his sixth year, he could be at the end of his second term, which would be legitimate. He may even have had an extension by this cabinet for the extra year. I believe the current practice is for one-year terms.



Ms. Bryden: That has not necessarily been set down?

Miss Gibbons: I am getting that for you now, before this session is over.

Mr. Chairman: Is it a one-year term or a one-year extension?

Miss Gibbons: I think appointments at the moment are being made on a one-year basis.

Ms. Bryden: While you do have one representative from a trade union and one woman, is there any advertising of vacancies when they or the possibility of reappointments are about to occur? Is this information the public can easily obtain?

Mr. Ackroyd: You are referring to board members?

Ms. Bryden: Yes. When a board member's term is about to expire, is there any advertising of the fact that there will be a vacancy and a new appointment or a reappointment made?

Miss Gibbons: The appointments are an internal process of political decision-making. Although the individuals involved in the appointments and reappointments are probably involved with their ministries around planned notifications when a term is up and on whether there is consideration for a renewal, I can almost assure you there is not an advertising process in the official put it in the newspaper sense.

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Ms. Bryden: I am rather interested in your phrase that it is part of "a process of political decision-making." As you know, in the past a lot of these appointments have been patronage appointments.

Mr. Leluk: It is called housecleaning.

Ms. Bryden: Yes, but I also understand that the new Liberal government has announced that all these vacancies will be open to members of the public and that they are able to make nominations for them or to write in and suggest that they themselves would be interested. This is supposed to be part of the new open government, but I have not noticed very much in the way of advertising of vacancies.

Mr. D. R. Cooke: Do you want a job here?

Ms. Bryden: I have not looked over all the potential vacancies.

Miss Gibbons: I have just had some help from one of the members, who was pointing out to me that in terms of the Liquor Control Act, subsection 2(2), the board members may be appointed for a term of five years and reappointed for a further succeeding term not exceeding five years.

Ms. Bryden: Presumably, that act would have to be amended to change that five-year and/or 10-year period.

Miss Gibbons: There is generally an administrative policy that clicks in around appointments and duration of term. I was not aware that the LCBO had a stipulation in its legislation.

Ms. Bryden: Outside the chairman and vice-chairman, I presume the other members are on a per diem basis.

Mr. Ackroyd: It is \$100 per day.

Ms. Bryden: Plus expenses, no doubt.

Mr. Ackroyd: Yes.

Ms. Bryden: With this newly announced policy of opening positions on agencies, boards and commissions to the general public, I would like to inquire whether you plan any sort of notification policy for future vacancies. They are going to be very few and far between if there is a possibility of a 10-year process, but I presume that approaching the end of the five years, there should be such an advertising of the vacancies that will be occurring. Have you given any thought to doing that?

Miss Gibbons: That is not within Mr. Ackroyd's area of responsibility. Appointments to boards are purely within the purview of the minister and the Premier. They use their own resources of canvassing to determine the mix of skills they want to have on a particular board. A civil servant or a chairman of a board would not be involved in the identification and proposal of candidates.

Ms. Bryden: Your office has not been instructed to advertise Mr. Hooper's vacancy, which may be occurring in 1987.

Miss Gibbons: No, that is not an area of responsibility that falls to the civil service or to the chairman or a board.

Ms. Bryden: I think it is something this government should be looking at to democratize that process.

I would like to move on to one other area, that is, hiring practices. This is where MPPs come into close contact with the board, although I think it used to be almost understood that a letter from an MPP was essential for anybody to get a job with the LCBO. The ministry has now issued statements to the effect that it is no longer necessary. What is the process of getting hired to the board?

I understand you can get an application from any store. Is the same application used for permanent and temporary jobs and for store and warehouse jobs, or are there separate categories for applying?

Mr. Ackroyd: There are two different categories, one being for part-time help. There would be a different application if we were looking for a computer programmer or people with technical skills where we were going outside and employing somebody in a full-time capacity.

The largest part of our employment is done at the level of hiring the part-time people to bring into our warehouses and stores. We average somewhere in the neighbourhood of 2,100 part-time employees at the board. That will certainly be escalated to a very high figure at Christmas, but on a normal average we are looking at something in the neighbourhood of 2,100 or 2,200 part-time employees.

If somebody is interested in coming into the board in that capacity, his application is not dealt with in a decentralized model. We run panels at each



of the five district levels in Ontario. Either a district supervisor or a regional director will sit on a panel. We try to get a woman on the panel, because of our affirmative action programs. There is also a third member. We interview all the applicants applying for those positions and pick the best-qualified people we can find.

Ms. Bryden: That would be filling positions in the whole district in each of these five districts?

Mr. Ackroyd: Yes. As a general practice, we have been following the same process when vacancies occur for full-time employees. We have 26 regional directors. Each supervisor will recommend his best-qualified senior people to move from part-time to full-time. They appear before selection panels of the same type, and the selection panels make the decisions for upward mobility. That is the bulk of the hiring that goes on.

An exception to that, for instance, is that our vice-president, management information systems division, Mr. Kelly, who is here today, is using management consultants looking for people for very senior jobs in our expansion of MIS. That could be done through a headhunting firm, or he might advertise in newspapers, looking for outside people.

We have had a number of supervisor's jobs come open in the last six months. We were not able to fill three of them from within the organization. We have hired a new supervisor of vintages, a new supervisor of communications and a new supervisor of purchasing, all from outside the organization. We have that type of hiring going on as well.

Ms. Bryden: You say the 26 supervisors make recommendations for part-time employees?

Mr. Achroyd: To move to full-time.

Ms. Bryden: Do they consider all the people who are on part-time at that date or do they wait for an application from a part-time person?

Mr. Ackroyd: They will be considering all the people in their region who are part-time and will recommend them up to the regional director. The regional director then will screen all the recommendations and another selection panel will select the best qualified people.

Ms. Bryden: How does it happen that some part-time people whom I have met have been on approximately a 40-hour week for three to four years and are still part-time? If the job they are doing requires that kind of work, should the job not be reclassified as a full-time job anyway? Then there would be more opportunities for part-time workers to become full-time.

Mr. Ackroyd: I will be interested in your comment if you are correct in saying a 40-hour week. If they are on a 40-hour week, they are almost on full pay.

Ms. Bryden: That is right, but they do not have any benefits.

Mr. Ackroyd: I realize that, but nobody has brought to my attention the name of any employee who consistently works a 40-hour week. I think there may be many weeks when one of our part-timers get 40 hours. For instance, I imagine a lot of our part-timers would be on a 40-hour week at Christmas, but then there would be a dropoff in January and February, and they might come

in two, three or four days a week. Even in our high-volume Vintages in downtown Toronto, I do not know of any part-timers who would get a 40-hour week consistently. .

At the other extreme, we have some of the small communities that in all probability will always have one full-time employee and one part-time employee. Last year there was a change in policy. Many of our one-person stores would close at the lunch hour. The manager would close it for two hours, do his banking and take his two breaks under the contract.

We had so many complaints about that two-hour closing that we decided to add one part-time employee to every one of those stores to relieve the manager. In many of those small communities, we have a part-timer who will work three or four hours every day, whatever the minimum is is that we have to pay them under the contract.

Ms. Bryden: Have you followed the government practice of extending pro rata benefits to part-time employees, which is a fairly new policy in the public service. Does the LCBO follow that practice?

Mr. Ackroyd: I am not 100 per cent accurate on that. I know that is a matter of negotiation between the union and management. I am not 100 per cent sure where that stands. Negotiating meetings are going on now. That is under consideration. I cannot give you the exact status on that today.

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Ms. Bryden: Do you think it is fair that part-time employees should receive pro rata benefits?

Mr. Ackroyd: My reaction is, if it is done, if it is something that is negotiated in, we will have to be dealing with our permanent part-time people. I do not think we could do it, for instance, with a category of casual help where we hire people who come in for three or four weeks just at Christmas. I think what they are looking in the negotiating is creating a category of what one may refer to as a permanent part-time person, someone who is working continually on a part-time basis.

Ms. Bryden: How do you define a permanent, part-time person? Is it so many hours a week on average?

Mr. Ackroyd: I am not sure. As I say, it is under negotiation, but I do not have knowledge that it is finalized. I know it has been talked about.

Ms. Bryden: Does the store manager have any input in the selection of names that are sent to the regional board? Do they consult with the manager of the store where the person has worked?

Mr. Ackroyd: The store manager would have to have some input because he is the one working with the employee on a day-to-day basis. His recommendation would be fed to the regional supervisor along with his comments on that employee and an appraisal of his or her performance.

Ms. Bryden: I have also heard of cases where the store manager recommended a person, but that person still did not get the full-time job.

Mr. Ackroyd: That is quite possible. I was looking at a selection board the other day and the regional director asked all his supervisors to



give him the names of the best five employees in their districts. I think he had a total of 180 part-timers in the area. They selected 25 who were interviewed for 15 jobs. It is possible to be recommended through the store manager, the regional supervisor and to go to the competition at the regional director level and not make it.

Ms. Bryden: If there were at least part-time benefits, they might not mind continuing as part-time. I recently had a case, and I would be glad to give you the name in private, but I would rather put the incident on the record so that you can tell me what is your policy. An LCBO employee had been employed for five or six years and was suddenly fired in the last year on the ground that they had done a security check and discovered he had a criminal record, which he had back in 1974-75. The man has since been married, he has a child and is a respectable citizen. He did have a small brush with the law, shall we say, in the last three years, but it was a fairly small offence.

The LCBO knew about his record at that time and they took him back, for which I commend them, but when the security check was instituted in the last year, he was fired because of his brush with the law about three years ago. He has appealed for wrongful dismissal and filed a grievance. The problem is, he has been out of work since last June or July when he was fired, and he is still waiting for an arbitrator to be appointed. It seems to me that this is a weakness in the LCBO, that they do not have enough arbitrators. He is running out of unemployment insurance and he is going to be ready for nothing but welfare if he cannot get his job back or at least get his case heard.

He does not particularly want to look for other jobs of a more permanent nature because he would like to continue his connection with the LCBO, and he felt he was an acceptable employee. He had been treated very well with regard to the previous police problem but now he feels that they are letting him down, letting him wait. What can you do about that?

Mr. Ackroyd: I do not know the particulars. I have had only one case go over my desk and I know it is well into the grievance settlement board and a hearing has been scheduled. I do not think it is the same case. This person had been with us for four or five years and was convicted seven or eight years previously, I think. He had this record when we hired him and has had nothing over seven or eight years. When I heard about it, I said I did not see how we could win at the grievance settlement board, and we did not. I know that person was reinstated.

I do not know the circumstances of what you are discussing. I do not know the seriousness of the record. If you can provide me with it, I will be pleased to look into it for you.

Ms. Bryden: It seems to me that the problem is the lack of arbitrators on your roster. Maybe you should be looking into that.

Mr. Chairman: Will you allow Mr. Epp a supplementary?

Mr. Epp: This is directed more to Ms. Bryden than to Mr. Ackroyd. I was not sure from the question whether you were saying, in the wrongful dismissal case you received, he was being dismissed for not having declared his brush with the law or whether he was being dismissed for some other reason. I do not think you were clear on that. It may have been for one reason or the other.

Ms. Bryden: He had declared them both, actually, so the LCBO should have known about them. I do not know whether Mr. Ackroyd can tell us what sort

of security check was being done on all employees recently, in the middle of 1986, that caught this man and resulted in his dismissal.

Mr. Ackroyd: I can give you an answer to that. When I arrived at the liquor board, what came to my attention was that they were not doing any security checks. They did not know whether a person was on parole, on probation or out on any form of mandatory release or mandatory supervision or whether they had lengthy criminal records. We went then, of course, to the Ontario Human Rights Commission and got the necessary changes to our application forms so that employees knew a criminal record check was going to be done.

I think now that has started, at least we are not bringing people into the board with criminal records of a type that I would not want them to be employed. I think in that area it becomes a judgement call. You have to be careful you do not look at someone's record and see that he was convicted of impaired driving 12 years ago and nothing since, or some young person of 19 was convicted of illegal possession of marijuana and has had no convictions in 10 years. I would have a different view, possibly, in those types of cases than I would of something where there were two convictions for break and enter and 14 convictions for theft. I am not sure he would make a very good public employee handling public funds. I think there has to be a discretionary call made, and our personnel people are aware of that.

Ms. Bryden: I hope you will look into this case, because it is a case of a man with a wife and family and trying to go straight.

Mr. Ackroyd: If you supply me with the information and the name, I will look into it for you.

Mr. D. W. Smith: I want to go back to a comment you made. You said you purchase in bulk, and you mentioned rum from Barbados. How many dollars worth of sales do you purchase in bulk that way? We will start with that question. What percentage of your costs would be in bulk purchases?

Mr. Ackroyd: I do not have the figure in my head. Can I ask if some of the staff here can accommodate you on that?

Mr. D. W. Smith: Sure.

Mr. Wilcox: My understanding is that we will not bottle and sell more than five per cent of our total sales through our own bottling plant. I am not sure of the exact figure from last year, but I suspect it was around three per cent or less.

Mr. D. W. Smith: When you say you buy it in bulk, does a distillery in Barbados bottle it for you down there, or do you bring it up here in bulk?

Mr. Wilcox: We bring it up at overproof, and we cut it and bottle it ourselves in Toronto.

Mr. D. W. Smith: Are those state-run or privately owned distilleries? Is this the way you purchase a lot of different products?

Mr. Wilcox: We have contracts with existing distilleries in a number of countries. We bottle port, sherry, Scotch and rum. These are long-term contracts we have had with specific companies. Some products are sold under our name; some products are bottled for those companies under their own names.



We tender our Scotch business every two years, and we bottle that under our own name. We tender for our grain alcohol and neutral grain spirits domestically, and we bottle that under our own label.

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Mr. D. W. Smith: But you say this amounts to only five per cent of your total?

Mr. Wilcox: We have, I believe it is, an informal agreement that we will not go beyond five per cent of the total market.

Mr. Ackroyd: It is estimated about three per cent today, but we could get you an accurate figure if you wanted.

Mr. Epp: May I get a supplementary, please? I do not quite understand what you mean when you say you market it or bottle it under your own name.

Mr. Leluk: Their own label--

Mr. Epp: You put your own label on it? Because I have never seen any products with--

Mr. Wilcox: Liquor Control Board of Ontario extra-special scotch.

Mr. Epp: I support the government as much as anybody around here, I suppose.

Mr. Leluk: He is a connoisseur; he only drinks the good stuff.

Mr. Wilcox: We are bottling good stuff too.

Mr. Epp: That is right. You put it under your own label?

Mr. Wilcox: We have our own labelled neutral grain spirit, alcohol, Scotch--we call it extra special--rum--

Mr. Epp: Is it?

Mr. Wilcox: It is terrific.

Mr. J. M. Johnson: How would you like to send the members some samples?

Mr. Wilcox: We get into trouble when we do things like that.

Mr. Mancini: Somebody told me this morning that when the agricultural committee was meeting they had Ontario apples, orange and apple juice, and all kinds of stuff over here, so we thought when you guys were coming in that we would have some samples over there.

Mr. Epp: We may be able to find similar products elsewhere in this building, though.

Mr. Chairman: I think you are still on, Mr. D. W. Smith.

Mr. D. W. Smith: I guess I did not realize that you did purchase this way. I was just trying to find out a little more detail about it. In

fact, I have never seen a bottle in your store that I thought was made up or bottled by the LCBO. I found that a little interesting. That is why I am asking the question, quite frankly.

Mr. J. M. Johnson: Just a couple of questions, mainly relating to the store employees, our policy in training. Is there such a thing as a list that the managers have of people in there that should not buy liquor?

Mr. Ackroyd: I am going to assume this--I am not sure--but I know that if there is an interdicted list supplied by the courts, the police and liquor boards are notified. I would have to check if that is given out to every store. I would have to assume--

Mr. J. M. Johnson: At one time, it seems to me there was a list. I do not know how to describe the name of the list, but people that could not handle alcohol--I think the police and oftentimes spouses would provide the names. Was that not through the police department and was reported to the board?

Mr. Ackroyd: The police are notified if the courts have ruled that they have been declared an interdicted person under the act. There are different ways of going about that. There used to be one route through the Mental Health Act, where somebody that has an alcohol problem, and they are dealing with them through the Mental Health Act. They may apply to have them put on an interdicted list. There is also the courts. To the best of my knowledge, when I left policing, those were very few that came through. You could count them on your hands, what you would see in the course of a year, the numbers of interdicted people. There was not a lot.

In those days, we would certainly notify the police division in which the person lived, or any area where his wife said he frequented. We would notify them that he was on an interdicted list. It would seem logical that if he lived in a certain area, you would notify the liquor stores in that area that he was on an interdicted list. I do not know how the store manager would be able to identify that person, though, if he walked into the store. If you are getting notification that Jack Ackroyd is on an interdicted list, and I walk into my local liquor store, I am not sure how the manager would know me.

Mr. J. M. Johnson: I have several small stores in small towns. Many of the managers know most of the people, so it is not the same problem as it would be in the city. The other point I was going to inquire about is that I understand there is something like 250,000 challenges to people purchasing, they were denied the right to purchase--under age or whatever.

Mr. Ackroyd: Yes. I do not know an exact figure, but I know we reviewed that about a year ago, and again we keep records on the numbers of people we challenge, and so do the Brewers' Warehousing keep numbers of the records of people we challenge as to age.

Mr. J. M. Johnson: In my riding, as I mentioned, there are several stores, and in 10 or 11 years, I cannot recall more than one or two complaints about the store managers. In one instance, a young lad went down to celebrate his 16th birthday, bought a bottle of booze, went to school and passed out in the afternoon. That created a bit of a hassle, but that is very unusual. I just want to compliment your board, managers and employees of the stores in the area that I know because they are doing an excellent job. There are very few complaints. There always has to be the odd one, but you are doing an excellent job.



Mr. Ackroyd: I appreciate that; thank you very much.

Miss Gibbons: Just to follow up on my pledge to get back to Mrs. Bryden on the new manual of administration, the policy currently states, "term not to exceed three years and one reappointment." So that allows it.

Mr. Chairman: We have seen then--

Ms. Bryden: (Inaudible) I guess, not to exceed five years.

Mr. Chairman: Thank you, Mr. Ackroyd and Miss Gibbons. It is a pleasure having you here. You have been very forthright, and we do appreciate this. Unfortunately, I was here for only the second two hours, but I understand the members are quite satisfied with their questions. We were scheduled to go on again tomorrow morning, but we seem to have exhausted the questions. I know you are going to beg and plead to be allowed to come back tomorrow, but as far as the committee is concerned, we do thank you for being here. It is very much appreciated.

Mr. Ackroyd: Thank you very much, Mr. Chairman and members of the committee.

Mr. Chairman: If the committee will just wait for a minute, we have to discuss something about scheduling.

First, tomorrow morning, we will be meeting in room 151. We will be televised; so you will all want to go out and get your hair coiffed and everything, except for me. That will start at 10 o'clock. We will be dealing with the Ontario Northland Transportation Commission from 10 o'clock until noon and from two o'clock till four o'clock. The Pesticides Advisory Committee will meet on Thursday at 10 o'clock, and hopefully we will be through by noon, if the committee is in agreement.

Mr. Mancini: Tomorrow?

Mr. Chairman: Yes, 10 o'clock tomorrow morning--the Ontario Northland Transportation Commission.

Mr. D. W. Smith: Is there any chance we could work a meeting in to go down to Barbados to see that those distilleries are in good hands down there?

Mr. Chairman: We can do that Thursday afternoon, if you like.

Since we will be on television, I suggest that you suggest to your caucus colleagues that maybe we should have a full turnout. Public inspection.

Mr. Epp: Full turnout and be there promptly at 10 o'clock.

Mr. Chairman: Promptly at 10 o'clock, please.

Ms. Bryden: What were you saying was going on Thursday?

Mr. Chairman: The Pesticides Advisory Committee. The Ontario Northland Transportation Commission will be all day tomorrow.

Mr. Epp: I suggest we have a drink to that.

Mr. Chairman: Right. On to the Liberal caucus bar. I know you have one.

Interjection: You are always invited.

Mr. Chairman: I know you have one; I used to run it.

The committee adjourned at 3:38 p.m.



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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

ONTARIO NORTHLAND TRANSPORTATION COMMISSION

WEDNESDAY, MARCH 4, 1987



STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Cooke, D. R. (Kitchener L)

Epp, H. A. (Waterloo North L)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Mancini, R. (Essex South L)

Marland, M. (Mississauga South PC)

Smith, D. W. (Lambton L)

Swart, M. L. (Welland-Thorold NDP)

Substitution:

McNeil, R. K. (Elgin PC) for Mrs. Marland

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Witnesses:

From the Ministry of Northern Development and Mines:

Ramsay, D., Parliamentary Assistant to the Minister of Northern Development  
and Mines (Timiskaming L)

From the Ontario Northland Transportation Commission:

Spooner, J. W., Chairman

Dyment, P. A., General Manager



LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON GOVERNMENT AGENCIES

Wednesday, March 4, 1987

The committee met at 10:09 a.m. in room 151.

AGENCY REVIEW

ONTARIO NORTHLAND TRANSPORTATION COMMISSION

Mr. Chairman: Mr. Spooner, thank you very much for coming. You have Mr. Dymont with you?

Mr. Spooner: Mr. Dymont is the general manager of the Ontario Northland Transportation Commission, and I am the chairman.

Mr. Chairman: You are certainly welcome. We appreciate your changing your plans to come early to accommodate the committee, which was able to sit this morning as opposed to just this afternoon.

I expect you know the reason for this meeting. It is a regular review of the different agencies in the Ontario government. We want to have a chance to chat with you. Some members have some concerns. Do you have an opening statement you would like to make?

Mr. Spooner: I think Mr. Dymont may be able to begin with a few remarks. I will say that 1986 has been a fairly successful year for our organization except we did not quite meet our budget. There was some reduction in freight transportation because of the work stoppage at the Noranda smelter.

However, just last week we officially opened our new office building in North Bay. We have a number of other projects under way, one of which is a new express and freight installation at Cochrane, replacing a building that was built in the very early days and that had outlived its usefulness. We have plans for a new bus terminal in Englehart, which will probably go to tender very shortly.

We also wish to repair and rehabilitate our station in Timmins, again a building which is showing signs of wear. We think we will be able to improve it with a rehabilitation project and that it will continue to serve the public for many years to come.

Mr. Dymont will proceed to give you some additional information. We also have a short presentation, a number of 35-millimetre slides that may be of interest to you. We will see how the committee views some of these things, how we may be able to answer your questions and so on.

Mr. Dymont: With the change in times, I would prefer not to get into the slide show, the main reason being that I do not know how to work that slide projector. I have never seen it. If you have somebody who can figure it out, I will be pleased to run through the presentation.

Mr. Chairman: Do you want to start with that or your remarks?

Mr. Dyment: I think it is preferable to start with the slides. It is a very brief overview of Ontario Northland.

Mr. Chairman: Mr. Arnott, is there any way we can come up with someone to operate the slide projector and somewhere to flash it?

Mr. Dyment: This slide shows the territory in which Ontario Northland operates. Our area of responsibility stretches from North Bay northward, right off the top of the map really, to the shores of James Bay where it intercepts Hudson Bay. The dates of the different railway branch lines are shown here. They may not be readable. The railway began in 1902, constructing north of North Bay. The latest addition was the Moosonee branch, which was constructed in 1932.

Probably two weeks after the railway started, telegraph lines were built along the rails to allow construction forces to communicate back to North Bay, which is how we got into the telecommunications business. As the railway moved north, the telegraph lines moved north, and the people depended on those telegraph lines for those communications.

We are a kind of schizophrenic organization in that we are divided into enterprises termed commercial and noncommercial. A memorandum of understanding describes these rules more clearly, but commercial enterprises are those which Ontario Northland is supposed to operate on more or less the same basis as the equivalent private sector would operate them. The noncommercial operations are those which are operated on behalf of the government of Ontario.

Within the commercial enterprises, the railway service is primarily the rail freight business south of Cochrane. The Moosonee branch is not considered part of the freight business. The telecommunications enterprises are our second-largest enterprise. The bus services, Star Transfer highway transport services, Hannah Bay Goose Camp, which is a tourist operation on James Bay, and Lake Nipissing Marine services are all considered commercial.

On the noncommercial side, we have the rail passenger services, which include all passenger services. The Moosonee branch has 186 miles of rail and serves both passenger and freight needs. The Owen Sound Transportation Co. is the organization which runs the ferry from Tobermory to South Baymouth. Also, norOntair is noncommercial. The satellite telecommunications provided to Winisk were noncommercial when this slide was drawn in 1980; in 1985, they were folded into the regular telecommunications commercial operations.

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We generate electrical power at Winisk and Fort Severn, and that is considered noncommercial. There is a Moosonee ferry connecting Moose Factory to Moosonee, which is considered noncommercial. These are the operations we operate as defined by our memorandum of understanding.

That is a view of our rail operation in North Bay. You can see the magnitude of it. Those large buildings are shops. One is used primarily to repair locomotives, the other for passenger and freight cars.

This is a shot of the head office structure itself. The white-stoned building on the right was built in 1908, the addition in 1932. There is a picture of the white-stoned structure.



This is another shot of the diesel repair shops in North Bay. These are used to repair our apparatus. We also do a lot of work for GO Transit and for Canadian National. -

That is a map showing our rail freight services. We connect at North Bay with CN and CP. That gives us east and west connections and also a southerly connection to Toronto. We connect at Cochrane with CNR and just inside the border at Noranda with CNR. Some of those lines on the northern part of our territory are being abandoned or have been abandoned by CN.

That is a typical freight train. Those are modern locomotives. That is the other end of that freight train. Those are cars pulling sulphuric acid. That is a modern caboose.

Telecommunications operates from North Bay; actually it operates around the corner on Hudson Bay to a community called Winisk. That is served by satellite. Primarily, telecommunications uses microwave, cable and what are termed land lines to provide almost totally long-distance service, but to small communities such as Moosonee, Moose Factory and Temagami, we provide the local service as well.

Local telephone service generally in the Ontario Northland telecommunications area is provided by the private sector, mainly by a Bell Canada subsidiary but to some extent also by Bell itself and by municipal companies such as the one in Cochrane. Telecommunications is a profitable enterprise.

That is a typical telecommunications microwave tower. That is an older style switchboard which has been generally replaced by this one, which is as modern as any in North America. Ontario Northland actually converted to this type of operation ahead of Bell Canada. That is a modern electronics switching centre located in Timmins. That is a telecommunications building also in Timmins.

In bus services, we operate in the Highway 11 corridor primarily, but we also have runs to Sault Ste. Marie and from Timmins to Sudbury.

We are in the charter business as well as the regular scheduled run business. That is a typical Ontario Northland bus. That brick structure is the bus garage in North Bay where buses are repaired. We do contract work for Gray Coach as well.

Star Transfer is a disappearing entity. Star was a transport company operating from Toronto into northeastern Ontario. We have discontinued running south of North Bay because a little company just could not be competitive. We are operating from North Bay north, but we are also folding Star as a company into our freight business and it is simply becoming a means of transporting rather than a transportation entity in itself.

This is the last of our commercial enterprises. This is the Chief Commanda, supplemented by a barge which operates out of North Bay and primarily offers tourist packages to the French River. That is the Chief Commanda. That is the barge which is also used on Lake Nipissing.

Passenger services are the largest of our noncommercial enterprises. You can see there that we operate from North Bay. I discovered about nine o'clock last night that we had ignored the most famous passenger run, the one from Cochrane to Moosonee, but I wish to assure you that its absence on the map means nothing. We are running it and we are proud of it.

We run primarily from North Bay to Cochrane and Timmins. We control one train from North Bay to Toronto. Other transportation by passenger services in this corridor is provided by Via.

That is the Northlander train which we operate from Kapuskasing, Cochrane and Timmins to North Bay. The Cochrane and Kapuskasing extensions are provided by bus. The Timmins to North Bay run is provided by this. We also contract with the CNR to run this unit from North Bay to Toronto. We have four of those. They have been running as of May this year for 10 years. May 28, I think, is the 10th anniversary of that service. It is a day train.

That is the car repair facility in North Bay. You can see they repair passenger cars as well as freight equipment. That is Moosonee station. That is likely a picture of the excursion train and people departing from it. That is another passenger car in the shops.

The marine services unit that was purchased from the Owen Sound Transportation Co. operates a ferry from South Baymouth to Tobermory. It runs in the summer months. The frequency of the runs depends on the particular period in the summer. We operate only two runs a day on the shoulders of the summer season, but we intensify the service to four runs a day during peak traffic periods. There is one ship. That is the Chi-Cheemaun. It loads from the bow and the stern. That ship was provided by the province. Those are the two terminals, Tobermory and South Baymouth, for the Chi-Cheemaun. That is another shot of the terminal.

NorOntair is a departure from the normal territory Ontario Northland serves in that it serves the whole of northern Ontario. You can see that we serve the smaller communities. NorOntair is not really an airline. It is program operated by Ontario Northland to feed the major airlines. We feed it by connecting 21 communities in northern Ontario. That is a Twin Otter. We now have six of those. We had nine. That is a Dash-8. We have two of those. One is in service.

We also run a ferry as a noncommercial enterprise. The ferry is a converted barge which runs from Moosonee to Moose Factory. That is one where we, like norOntair, contract the operation and maintenance to the private sector. That is the barge itself on the shores of the Moose River.

That is an overview of Ontario Northland. I hope it has given you an insight into just what it is we do. I am prepared to assist the chairman in answering questions.

Mr. Chairman: Thank you, Mr. Dymont. That was very interesting. It was nice to look at those slides and recognize some of the things the members have seen around the province.

Mr. Hayes: I have one concern with regard to the proposed sale of norOntair. If it was sold to a private carrier, with the federal government trying to implement deregulation, what assurances would you have for the people of the north that their service would not be cut in some of the remote areas?

Mr. Spooner: I think in the tender call there is a stipulation that we have to be guaranteed that the successful tenderer would provide the service in accordance with our supervision. In the original contract, a provision would be made for that service to be maintained at a level. We would



suggest that some changes be made in what is being done now, but comparatively few. I think the general manager could confirm that statement. We would have to have a guarantee that whoever operates will operate under our supervision or that we will see that the service is provided as it has been in the past.

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Mr. Dymont: The request for proposal process may not result in norOntair being sold. It is going to the private sector and saying: "We had a program called norOntair. One of the objectives of Norontair was to enhance and build up the private sector to the point where it could operate it. You have said you can operate it. Tell us now what you think you can do with it."

Minimum criteria have been established. For instance, we want the two Dash-8s to make quite a visible presence in northern Ontario. At a minimum, we want service to be kept the way it is, and it is desirable that it be improved. All these things have been built into the request for proposal document, and the people responding to us will have to make some guarantee that they will keep those as minimum standards.

Mr. Hayes: Do you think those guarantees would be in effect if deregulation were implemented?

Mr. Dymont: As far as we are concerned, deregulation exists today. We are in the era of deregulation.

Mr. Ramsay: Has there been much interest shown in the proposals from different companies in the north?

Mr. Dymont: It is difficult to assess. We issued the request for a proposal at the end of January, and we said that anybody who is interested will have to attend a mandatory meeting on February 19. We had that mandatory meeting and the major players were there, the major players being Air Canada and the Canadian Pacific Airlines family. There were others who asked questions, and we do not know whether they are serious in bidding. There were also a couple of representatives from consulting firms. We really do not know whom they are representing, so it is difficult. We know the major players, CP and Air Canada, are very interested.

Mr. J. M. Johnson: Just to follow up on that, would not either Air Canada or CP be able to provide better service? Your company is into buses, rails and ferries. You are so diversified and have only two of the major aircraft and many of the smaller ones. Would a major company not be able to operate more economically and better than a small company?

Mr. Dymont: It is arguable both ways. By anybody's standards, Air Canada does a tremendous job in Toronto, where it has hundreds of mechanics, standards and manuals and computers, but the nature of the job to be done in Hornepayne is dramatically different. Can a company like that do the job norOntair is doing in Hornepayne? We do it with part-time people and contract agents. Hornepayne is kind of incremental to a small network. I cannot answer that question.

One might argue that they cannot serve the smaller responsibility as well and, in turn, they will have to engage somebody. They have now in their family Austin Airways, which is familiar with dealing in small places.

Mr. J. M. Johnson: Subcontract?

Mr. Dyment: Right.

Mr. J. M. Johanson: To sum up on that same line of questioning, I think as well that your rail transportation companies might be better served under CN, but then the same argument would prevail there. I am not suggesting it is a good idea; I am simply asking a question. In terms of my part of the country, which is Wellington-Dufferin-Peel and western Ontario, there have been so many abandoned rail lines that if we do sell, say, a railway to one of the larger corporations, I wonder whether it would not at some time in the very near future be abandoned. These are things we have to keep in mind. Sometimes it costs something to serve the people, but the people do need that service.

Mr. Dyment: Right. You may have noticed on the map I had up earlier that we had a north-south rail line, and it was intersected at Cochrane by the CN. On the east side of the Ontario Northland line, CN has abandoned the line. On the west side, it is now trying to get us to buy its line. They are making a visible, concerted effort to get rid of branch lines.

Mr. Spooner: If I may digress for a moment, you were talking about better air service. We are always looking at that. For instance, about 18 months ago, we started flying a service with our small plane from Hearst to Timmins. This plane carries only six or seven passengers. If people arrive with excess baggage, they cannot put the baggage on the plane. Once in a while, the plane is full.

As a result of that, after a number of complaints, we were able to engage a larger aircraft which we operate two days a week. This morning that Navajo airplane from Hearst to Timmins carried one passenger. There were six vacant seats. These are some of the problems we have in operating this. Air Canada or any other airline with larger aircraft would have to build a system that would handle the bulk of the passengers with the most economical piece of equipment it could get.

It is difficult to assess. For instance, if we know ahead of time that a ball team or a hockey team was going to travel from point A to point B, if we had sufficient notice, we could do something about it. People decide to travel tomorrow morning and they want to be sure to get a seat on the plane out of Timmins.

This morning on the Air Canada flight--what are there, 100 and some seats in that aircraft?--about 30 passengers got on at Timmins, nine got off at North Bay and another 30 got on at North Bay to come to Toronto. When you add it all up, and if you know all the costs that are inherent in running that kind of business, I do not think Air Canada made any money. It is a difficult business.

Mr. J. M. Johnson: Does your air company handle the emergency service relating to hospitals?

Mr. Spooner: No, those are separate contracts. In the Timmins area, it is operated under contract between the Ministry of Health and Austin Airways. They have several of these air ambulances. We have not had anything to do with that.

Mr. J. M. Johnson: I have a question pertaining to the Tobermory-South Baymouth ferry. This connection runs through my riding. People



travel from the Niagara Peninsula to the Bruce Peninsula to use it. Is there any possibility you could encourage the Ministry of Transportation and Communications to improve and upgrade Highway 6?

Mr. Spooner: You know the minister; I do not.

Mr. J. M. Johnson: It needs upgrading. It is the direct route and it should be upgraded. We hope the government will give consideration to it in the very near future.

When people go up into the Bruce Peninsula and there is any tie-up, there is not a lot for them to do, and sometimes there is the inconvenience of staying overnight. If they did not intend to do that, it can disrupt their travels, especially if they are heading west. Is there any advance system in place that people in Niagara, for example, could contact--

Mr. Spooner: Make a reservation?

Mr. J. M. Johnson: Yes.

Mr. Spooner: Explain the reservation system.

Mr. Dymont: The first and last sailings are reserved, and there is a 1-800 number that people can call to have a reservation made.

Mr. J. M. Johnson: Is this given to them at different points of entry, for example, from the United States?

Mr. Dymont: I do not know whether the 1-800 number extends into the United States, but as long as they are within the 1-800 service we have purchased--anywhere in Ontario, for instance--they can make a reservation.

Mr. J. M. Johnson: There has been a tremendous improvement within the last few years in information that is available on that line. The problem sometimes comes in when there is extremely heavy traffic and people get sent back. You mentioned you had only the one ferry, so naturally when it is loaded, that is it. If you have an extremely heavy inflow of tourists, they sometimes get caught for two or three ferries.

Mr. Spooner: They arrive without a reservation and then they have to take a standby position.

Mr. J. M. Johnson: If they have made a reservation, there is no problem.

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Mr. Spooner: If they have made a reservation and they arrive on time, they are sure to get on. If they have not made a reservation, they will have to be on a standby basis. That does not occur on most days, but I might give you another example. My own son and his wife stayed overnight in Owen Sound two years ago because, although I had told him all about how we run this show, my son did not believe me. He arrived without a reservation and so he stayed. It served him right. I did not raise him very well.

Certainly, during the heavy tourist season in the summer, if you do not have a reservation you are not going to get on. You will have to wait for future sailings.

Mr. J. M. Johnson: I would think a lot of people would arrive not knowing that a reservation was needed. I was wondering if there was any type of mechanism that could be in place that when they stop in at different tourist facilities along the highways that information could be made available; first, that reservations are required, the telephone number and then they could phone ahead and determine the time frame they are locked into.

Mr. Dymont: Yes, we provide that sort of service. For instance, coming through Espanola on Highway 6, which would normally take you down to South Baymouth and on to the ferry, there is a large sign on a building there which says, "Stop here and get information on the Chi-Cheemaun before you go any further."

Mr. J. M. Johnson: I think that is it.

Mr. Mancini: I have just a couple of questions about the Chi-Cheemaun. How long has that boat been in operation?

Mr. Spooner: Ten years.

Mr. Mancini: Was it a brand-new boat? Was it built here in Ontario?

Mr. Spooner: It was built in Collingwood.

Mr. Mancini: What was the cost of the boat at the time?

Mr. Spooner: About \$8.5 million or \$9 million.

Mr. Dymont: About \$9 million.

Mr. Mancini: What is its vehicle capacity?

Mr. Dymont: It will take 125 passenger cars. As you put buses or transport trucks into it, it reduces the capacity. It will carry 615 passengers.

Mr. Mancini: It will take 125 cars. You can put tractor trailers on that?

Mr. Dymont: Yes, but if you put either nine or 10 tractor trailers, then you have had the biscuit for cars. You cannot put the ramps down and you cannot put in any more cars; so the capacity floats depending on the number of buses and transport trucks put in it.

Mr. Mancini: Are there bus tour companies that use it on a regular basis?

Mr. Spooner: Yes.

Mr. Mancini: They just line up in advance the number of buses that they want.

Mr. Dymont: Buses invariably reserve ahead.

Mr. Mancini: I see.

Mr. Spooner: You might be interested in this. Some years ago, we were finding that we needed more space, and the engineers then designed what I



call the mezzanine floor on each side of the main deck. With smaller vehicles, we increased the space by about 100 or more spaces, was it not?

Mr. Dymont: Quite a number.

Mr. Spooner: The smaller vehicles go up on this mezzanine. At that time, there was a lot of talk about having another ferry because this one was not providing sufficient service.

Mr. Mancini: Does it run at capacity most of the time?

Mr. Dymont: At weekeps. During the week, it generally does not run at capacity, but at weekends, it definitely does.

Mr. Leluk: Mr. Dymont, during your presentation, you pointed out that operations under the Ontario Northland Transportation Commission fall into two categories: commercial and noncommercial. Looking at some figures in 1985, I see the commission incurred losses from its noncommercial operations of almost \$22 million, but was reimbursed by the government to the tune of \$23.9 million. At the same time, a number of your commercial operations lost money. In looking at the figures I have before me, I think from 1984 to 1985 there is about a \$2-million difference in the moneys that were made through your commercial operations.

One has to ask how do you or the commission decide which operations are commercial, which ones are not, and whether the government subsidy is being applied to commercial operations as well as the noncommercial. Can you tell us that?

Mr. Dymont: Yes. First, we in Ontario Northland do not decide which is commercial and which is noncommercial. It is decided in concert with our parent ministry. In 1978, that list was derived and has persisted until now, so it is in concert with our provincial ministry that we decide which is and which is not. The general rule is, if you are operating the business as a private enterprise, which would you discard or which would you not run. Those are the ones that we operate for the province.

As to the subsidy itself, the numbers you are referring to are the numbers shown in our annual report. To round them off, the commercial operations were shown as losing \$22 million and the subsidy was about \$24 million; about a \$2-million gap.

Mr. Leluk: It was \$23.9 million or \$24 million.

Mr. Dymont: The commercial operations, which lost \$22 million by annual report description, show the revenues and the expenses, and the gap between them, which is always negative, is paid for by the province. That is \$22 million. The expenses exceeded the revenues by \$22 million and that is the \$22 million we were paid and that is what is called the operating loss for those operations.

In addition, the memorandum of understanding which we have with the province, which was determined at the same time the list was determined, says that portion of our plant which is devoted to the noncommercial enterprise should receive a compensation. For instance, the rail to the Moosonee branch cost X dollars back in 1932 when it was built. We get a return on that investment, which is not shown in the operating loss. The return on investment for those portions of our plant dedicated to noncommercial, but which are not obvious, have returned us \$1.9 million.

Mr. Leluk: Just to clarify one of the points I raised, how do we know the government subsidization is not being applied to some of the commercial operations which are losing money? According to your figures in the annual report, you have lost about \$16 million from 1984. The revenues are down by \$2 million.

Mr. Dymment: Right.

Mr. Leluk: How do we know some of that government subsidization is not going to pay for some of the losses of your commercial operations?

Mr. Dymment: I guess the safest check you have and the most credible check is that twice a year we have an army supplied by the Provincial Auditor to go through the books and determine that the amount we have shown as subsidy is, in fact, subsidy.

Another way to look at it is to check the individual statements for the noncommercial operations and the gap between expenses and revenue is real. For instance, for norOntair, all the tickets that we sell are called revenue and all the contractors' bills that we pay are called expenses. The difference is the amount needed for subsidy.

The return on investment, the \$1.9 million you referred to, is checked annually by the auditors. They look at our capital accounts and see how much we have in there allocated to noncommercial and the return on investment rate is fixed by contract at 9.3 per cent. We cannot fudge the figures.

What that says is that the noncommercial enterprises suffered a loss. We were paid the loss. Some commercial enterprises suffered a loss, which means the successful commercial enterprises subsidized them.

Mr. Leluk: I am not as familiar with your operation as I should be. Can you explain to me why the government subsidizes the noncommercial operations to more than the actual losses? I see that losses in 1985 were \$22 million and you were reimbursed for \$23.9 million, which is actually close to \$2 million more in subsidy than the actual losses. Why is this? Is it so that you people show a profit at the end of the year? Why is that? Why is not just a straight subsidization for the losses?

Mr. Dymment: I suppose it is misleading in our annual report, but the operation in current revenues, people buy tickets on our trains and we pay conductors and trainmen to run the train, and we subtract the revenues from the expenses and bill the government. That is an operating loss of \$22 million. In addition, those trains run on tracks and we cannot separate the tracks into commercial and noncommercial.

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As I explained to you, we assess the capital value of those assets and the government pays a return on the investment for those assets, for the tracks on which noncommercial trains operate. That is \$1.9 million. We are getting the actual operating cost back to the extent of \$22 million and we are getting a return on our investment of \$1.9 million, which should equal the total amount. That is all for noncommercial enterprises. Theoretically then, we are just getting paid what the noncommercial enterprises are costing us and the telecommunications is subsidizing us. Commercial is subsidizing commercial.

Mr. Leluk: Unless one of the other members would like to pursue this line of questioning, I would like to move to another topic.



Mr. Chairman: Go ahead.

Mr. Leluk: Mr. Dymont, your commission operates a pension fund for its employees. I understand at the end of December 31, 1985, this fund totalled some \$143 million. The Provincial Auditor reported in his annual report for the same year that the commission used surplus cash from its operations to make special contributions into the pension funds that totalled some \$6,838,118 over the past two years. I understand these payments were in addition to those required by the pension fund.

Section 37 of the Ontario Northland Transportation Commission Act requires "...all surpluses shall be paid into the consolidated revenue fund at such times and in such amounts as the Lieutenant Governor in Council may direct."

Why were these additional payments, these special payments, made? What is your policy regarding your pension fund?

Mr. Dymont: The policy regarding our pension fund is to adhere to provincial legislation regarding pension funds. We do not have a discrete policy; we follow the law.

In 1965, the pension legislation in Ontario said that all funds, including Ontario Northland's and those in the private sector, must be totally funded. In theory, if an organization folded, there were enough funds in there to cover all our obligations. In 1965, the total assets in our fund were something like \$8 million and our total liabilities were something like \$27 million. We were \$19 million short. That was the initial liability.

That liability grew. In 1978, for instance, the total assets in our fund were about \$53 million and the total liabilities were \$100 million. We were about \$45 million short. The auditor is referring to 1985. The unfunded part of that liability was reduced to \$16.9 million, but it is still a liability. Our assets are less than our liabilities.

Mr. Leluk: Is it true that the commission used surplus cash from its operation to make these special contributions into the pension fund that total some \$6.8 million over the past two-year period?

Mr. Dymont: No. Since 1965, we have paid something like \$77 million, not \$6 million. I think the Provincial Auditor stopped short when he started looking back. None the less, we have it on good legal authority that there is no surplus from Ontario Northland until our liabilities are exhausted. We have a liability and it is still a liability. So we have a disagreement with the auditor which has yet to be resolved.

Mr. Leluk: You do not agree then with the Provincial Auditor's report that this \$6.8 million from the operations of the Ontario Northland Transportation Commission were put into the pension fund? You do not agree with his figures?

Mr. Dymont: We disagree, with support. It is Ontario Northland's policy that the pension fund for our employees should be fully funded.

Mr. Mitchell: Mr. Spooner and Mr. Dymont, I am not going to be raising questions but some comments with you, which you may choose to comment on.

Comment has been made about your losses on norOntair, which in a way are not much different from the losses being incurred by a number of airlines. Being one who uses rather than being actively involved in the day-to-day operation of the business, I say that is the airlines' fault because they have chosen to ignore their most important market: the people to whom they are supposed to provide the service.

Here is a case in point. I was to fly back to my riding last evening. I was in the line getting my ticket when they announced, quite candidly, that the flight had been cancelled, with no apparent reason whatsoever, but that they would put everybody they could on the 6:30 flight, or if someone wanted to go on another flight, they could get him out to the airport, but he would have to go at his own expense. The point is there was no storm problem. I am not talking about your airline, I am giving an example. That airline on which I was travelling could have made arrangements, in my humble opinion, with a standby aircraft somewhere to fill that. What they successfully did was to inconvenience all the people down the rest of the line until the last flight of the evening. To me, it is totally incomprehensible, because they are ignoring the very people who make it worth while for them to stay there.

The largest airline in Canada overbooks constantly and as a result bumps people. My constituency assistant just came back from a trip on which she was bumped twice, both coming and going. In one case they had overbooked by almost 90 people. On the face of it, that is absolutely and totally ludicrous. Canada's largest airline and the airline on which I was flying last evening are only examples.

Mr. D. R. Cooke: On a point of order: I think you should be taking this up with Mr. Crosbie and M. Jeannot.

Mr. Mitchell: Mr. Cooke, do you mind following my line of questioning that I choose to follow?

Mr. Chairman: I do not think that is truly a point of order. It was not even funny. Carry on, Mr. Mitchell.

Mr. Mitchell: This may satisfy Mr. Cooke. You are in the airline business, yet you are talking about a very large loss. I have not flown norOntair so I am not making comments about norOntair, but I wonder if part of the problem is that you are not providing the service and, as a result, people are taking other modes of transportation such as the private car.

That is one comment. Let me make the other one and then perhaps you would like to answer.

I hope you never abandon the rail service. It has been years since I was on the Ontario Northland, but it is one of the best services I have ever been on. I hope you do not abandon it. I hope you are not like our national railroad, which again seems to be ignoring the very people it is supposed to be serving. Then they wonder why people do not use it. I am sorry, I am being quite honest and straightforward. I hope you never abandon it, that you continue to provide the excellent service you are providing. It is one situation where I would be happy to see the province as actively involved in support of it as it is in GO Transit and other things.

You may want to comment on those two points.

Mr. Spooner: To give you an example about the operation of the



airline, you have seen the area in which we operate. What we are doing is feeding into the main centres. We are feeding into Air Canada at Sault Ste. Marie, Thunder Bay, Timmins, North Bay and Sudbury. We own the aircraft and the operation is conducted by a contractor. We have two of these contractors located in Sault Ste. Marie and Thunder Bay.

In the 21 communities in which we load and unload passengers, we certainly keep a very close eye on the service that is provided to the public. Sometimes we will fly a Twin Otter when Air Canada will not fly its bigger aircraft, the DC-9 or something like that.

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I travel a lot in the area. I meet with boards of trade and chambers of commerce and try to keep the operations of the organization before the public eye, so you would think I would get a lot of complaints. I get very few complaints from the travelling public who have not been well treated or handled properly. We have a reservations system hooked into the other airlines. I do not get those kinds of complaints.

I have also been bumped off a plane. I have maintained, like you did, that the aircraft was overbooked. In my case, it has happened twice in 20 years, so it is not too bad. But it could be a problem. Where do you live?

Mr. Mitchell: Ottawa; the city of Nepean, to be precise. You may recall it from your days in the formation of regional government.

Mr. Spooner: Yes. I hoped I might receive compliments for that.

I think we are very careful in trying to satisfy the travelling public, and if there are complaints, either I or our people will do something about them, find out why they happened. That also applies to train travel. As Mr. Dymont explained, we run our Northlander train from Timmins south. We also participate with Via Rail from Kapuskasing to Toronto. I get complaints but, when they are analysed, I find it is our not group; it is Via Rail's people. People complain that coaches are not very clean and so on, but those are matters we report to Via Rail and hope it will clean things up.

Mr. Mitchell: To follow up on the comments made by Mr. Cooke and others, the demise of Via Rail did not start in the past couple of years. It has been a long time building, and I think it is unfortunate because, from personal preference, I would travel by rail at any time. I do quite often travel back to Ottawa on their specific run because I can do it in four hours in comfort.

My comment to you is that I hope you never get out of the rail service, because I hear nothing but good reports about the Ontario Northland. It kind of gives me a lift. I am not from the north like Mr. Ramsay, but to see those trains coming into Toronto gives me a lift.

Mr. Spooner: A bit of information may be of some assistance to you in dealing with our area of the province and our responsibilities. Over several years, we have conducted surveys to find out what passengers think of the service. One of the surprising things, consistently maintained, is that on our train, the Northlander, one third of the passengers go from Timmins to Temagami while two thirds of the passengers are from North Bay and further south and go north. We are operating our train a long distance; it is the same distance from Timmins to North Bay as it is from North Bay to Toronto. We are

hauling only southern passengers whereas our service is supposed to be a service for northern Ontario. Instead of that, it is a service for southern Ontario. A person can get on the Northlander train at North Bay at noon and be in Toronto at six o'clock or thereabouts. He can do the reverse, leave Toronto at noon, be in North Bay at six o'clock and get into Timmins at 11:20 p.m.

Mr. Mitchell: I have one final question. One of the things I am interested in is a complete change from the direction I was going in. I understand Ontario Northland is in the process of building a new head office and a senior citizens' complex.

Mr. Spooner: That is correct.

Mr. Mitchell: The senior citizens' complex leaves me somewhat puzzled. Any additional housing for seniors is great, but it seems like a strange area for Ontario Northland to be involved in.

Mr. Spooner: The office building was officially opened just last week. We moved all our people in North Bay into one structure. Instead of having six or seven different locations within the city, we are in the one building. We have a building that has been very well constructed. It is well furnished. It was built at a good price and is going to last 100 years.

The apartment building is an area where we are under the legislation to use funds in our pension fund to make an investment in real estate. We have close to 900 pensioners and their spouses in our organization. The commission is of the opinion, supported by the ministry, that it is a desirable endeavour for the funds of the pensioners to be used to provide them with that kind of housing. When the building is occupied, we are not able to restrict tenants only to pensioners or their spouses; I suppose others who are not pensioners will be able to rent space.

In our analysis and surveys, which were conducted a few years ago in North Bay, it seemed that was a desirable real estate investment. We have the land and we are proceeding with that. At present, the work has stopped for the winter, but all the piling and the underground services have been installed.

Mr. Leluk: What was the cost of that senior citizens' complex? Were all the moneys from the pension fund?

Mr. Spooner: All the moneys would be from the pension fund.

Mr. Leluk: What was the cost?

Mr. Dyment: It will cost about \$9 million when it is done; it is just started.

Mr. Leluk: How many units will it have?

Mr. Dyment: There will be 138 apartments.

Mr. Mitchell: Your reply really begets another question. I presume that to protect yourself, you can still quite legally establish that so many units will be available to pensioners. It is somewhat typical of the social direction that many companies in England have taken over the years, is it not?

Mr. Spooner: That is right.



Mr. Mitchell: I do not think that is a bad move.

Mr. J. M. Johnson: I want to follow up on a question that was raised earlier and go back to the ferry service to Owen Sound. I think Mr. Mancini raised questions pertaining to transport truck traffic. Do you have many transports using the service?

Mr. Dymont: No.

Mr. J. M. Johnson: A very small number?

Mr. Dymont: A very small number.

Mr. J. M. Johnson: Is it fairly expensive for them use it?

Mr. Dymont: The rate right now for a transport truck is something like \$75, but it is our understanding, from talking to the industry, that these trucks do not save a lot of miles. The primary origin and destination routing via our ferry does not save them a lot of money. On top of that, they have to wait to get on, which costs them money.

Mr. J. M. Johnson: It would be a matter of cost, time, their point of departure and where they are heading, but I think there are parts of the country, especially up in my part--certainly Owen Sound--that could take advantage of a cost saving in both energy and time if the rates were reasonable to compensate for travel.

Have you ever thought of the possibility of giving them a reduction in the off-season and in the slow period during the week? If the ferry is running empty or with a very nominal number of cars, would it not make sense to fill it with transport trucks?

Mr. Dymont: The difficulty is that we can get only nine or 10 trucks in the ferry; then we cannot carry anybody else. The nine or 10 would have to carry the cost of that voyage, and any car that showed up would not be able to ride.

Mr. J. M. Johnson: But would the ferry not run regardless of whether there were any cars?

Mr. Dymont: We do not run empty.

Mr. J. M. Johnson: What if you had half a dozen cars?

Mr. Dymont: We would run, but then we would somehow have to get those trucks marshalled for that particular trip.

Mr. J. M. Johnson: It was just my thought that if there were some way you--

Mr. Dymont: For instance, we looked at it when they had the stock sale on the islands to see if we could not run the ship just for that occasion. We divided the number of trucks we could carry, which is nine or 10, by the cost for the two-way trip, and the trucking industry found it too expensive.

Mr. J. M. Johnson: Thank you.

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Mr. Epp: I just have one question. Mr. Spooner, I notice that, according to my information, you are reimbursed \$4,200 per annum.

Mr. Spooner: Yes, that is right.

Mr. Epp: Then I notice the chart, which says that under the Ontario Northland Transportation Commission are the Owen Sound Transportation Co. and Northern Canada Transportation Ltd. Are you reimbursed on the basis of \$4,200 per annum collectively for the Ontario Northland Transportation Commission or for each of these individually?

Mr. Spooner: No. The individual ones pay \$1,200.

Mr. Epp: In addition?

Mr. Spooner: Yes.

Mr. Epp: It is \$4,200 plus another \$1,200 for each of these?

Mr. Spooner: Right. The commissioners get \$2,500 in remuneration; the chairman gets \$1,700 more--\$4,200.

Mr. Epp: I see. Plus another \$1,200 for each of these four.

Mr. Spooner: And the commissioners get the same.

Mr. Epp: Another \$1,200 for each of them.

Mr. Spooner: Not four, just two of those companies.

Mr. Epp: Just two of them. The Owen Sound Transportation Co. is one of them?

Mr. Spooner: Yes.

Mr. Epp: And Northern Canada Transportation Ltd.?

Mr. Spooner: No, not that one.

Mr. Epp: Nipissing Central Railway?

Mr. Spooner: It was Star Transfer, and that will be discontinued because we are moving Star into part of the freight system.

Mr. Epp: Part of the Nipissing Central Railway Co.?

Mr. Spooner: Nipissing Central--we do not get anything for that.

Mr. Mitchell: May I raise a supplementary? When you say you are merging Star with your freight system, what does your freight system embody? Maybe I misunderstood. I thought it was just rail. Is there road surface transit involved with that freight system as well?

Mr. Dymont: Yes. In this day and age, you cannot serve everybody strictly by rail because it is not worth while to put sidings into everybody's receiving door; so you have to supplement your rail operations nowadays with



trucks. We used to have Star, which was strictly a highway transport company, we had an express, which was the same as CN and CP Express, and then we had the railway freight operation.

We have decided that we are really in the transportation of matter business, and the transport truck, express truck and the train are simply mediums; they are means of carrying freight. We said, "Let's stop calling them individual operations and running them individually; let's get into the freight business, and we'll use trucks, vans and trains to do it."

Mr. Mitchell: Thank you, Mr. Epp.

Mr. Epp: When you are talking about merging Star Transfer Ltd., you are merging into what, into both Northern Canada Transportation Ltd. and Nipissing Central?

Mr. Spooner: Nipissing Central is a rail line operated from Swastika to Noranda, and we keep that because it has a federal charter. Our regular freight trains are on that line; there are no passengers.

Mr. Epp: When you say you are keeping it because it has a federal charter, is it defunct? Is it not being used?

Mr. Spooner: The company is not being used; the company is not active.

Mr. Epp: The facilities are being used.

Mr. Spooner: The facilities are being used, and they are part of the ONR organization. The other company, Star, which you mentioned, now we will put it all into one package. In other words, if you want to move a piece of equipment or a load of some kind, you tell us about it and we will move it from Cambridge to Timmins in the most economical or the cheapest and most satisfactory form; whether we do it by use of a rail passenger boxcar from here to North Bay and deliver it by truck from North Bay to Sturgeon Falls, Timmins or whatever is something else.

Mr. Epp: Would it be safe to assume that you are centralizing your operations and making them more efficient, cutting out some of the paperwork?

Mr. Spooner: That is what we hope; yes. Paperwork is one thing, but we are trying to make it more efficient; no doubt about that. We do whatever we can.

Mr. Epp: Is there any duplication?

Mr. Spooner: I hope there is no duplication now.

Mr. Epp: You hope there is not. Is there?

Mr. Dyment: There is no duplication.

Mr. Spooner: No.

Mr. Dyment: We are running it as one company now. We have to retain Nipissing Central because we need the federal charter to get across the border into Quebec. Northern Canada Transportation Ltd. is simply a minute-book in our shelves; it is no longer used. We are running the entire operation, regardless of the federal charter, as one company now.

Mr. Epp: When you are projecting ahead, have you any major recommendations to make?

Mr. Spooner: In connection with?

Mr. Epp: In connection with all of these, with respect to saving the taxpayers' money and making your operation more efficient.

Mr. Spooner: Over the years, much has been accomplished in that regard, for instance, in improving our shop facilities at North Bay and in improving other facilities we have for the travelling public, such as our bus and rail terminal in Englehart, which will be going to tender in the next month or so.

For instance, we recently found in one of our smaller stations--this is not new; it is something the general manager and I have talked about for a period of time, and we have come to the conclusion that we really do not need two people there now; we need only one. In the railway business, as you know, a person can bid for a job that becomes open somewhere, and it happened recently that the employee who was redundant was able to replace another employee who took his pension. Therefore, there was no disruption as far as this particular person was concerned and he was quite happy to move to a new location.

Mr. Epp: The person was not redundant; it was the position that was redundant. Right?

Mr. Spooner: The position became redundant, yes.

Our number of employees today, compared to five years ago, is down by 75 or 100, I believe.

Mr. Dymont: In 1981, we had an average of 1,733 employees; at the end of 1985, we had an average of 1,542. That is about 200.

Mr. Spooner: There are better facilities in the shops. I will give you another example, and Mr. Dymont can give you the figures. We do wheel turning. Is that what they call it?

Mr. Dymont: Yes.

Mr. Spooner: These wheels get flat. We had an old machine in the shop in North Bay that required about four men--am I right again? I have seen the thing--to turn a pair of wheels, and it would take them I do not remember how many hours. About three years ago, we installed a new machine that is computer-controlled; it will do a set of wheels in eight minutes and it takes two employees.

The first time I went into the shop with the former chairman, I happened to notice these men working at this wheel repair job. I thought it was not very safe. They were handling very heavy things and depending on lifts and so on. At that point, the chairman decided we should do something about it; but the management had really been working on this for some time.

Those are some of the things we have done by keeping an aggressive and close eye on operations.

Mr. Epp: Have you employed any robotics?



Mr. Spooner: No, we have not.

Mr. Dymont: That particular machine the chairman was talking about employs robotics to some degree.

Mr. Ramsay: I would like to comment and maybe give some insight to Mr. Mitchell, since I am a frequent user of norOntair, on why passenger service is down. In my perception, one of the main reasons is cost.

For example, in the middle of my riding is the little town of Earlington with the airport I use in order to get here. I take an norOntair flight to North Bay which connects very nicely, with very little stopover time, to fly from North Bay to Toronto on an Air Canada flight. That ticket costs me \$310 return. Austin Airways, for example, flies out of Timmins direct to Toronto--most of those flights stop in North Bay--and it can make a return trip at a cost of \$180. As the crow flies, Timmins is maybe 75 miles north of Earlington.

There is a big difference there, and that is part of why norOntair has invited proposals from people to see if they can provide some of the service that norOntair provides, possibly at a better cost or a better frequency of service.

The trouble, as I understand it, is when you are dealing with two airlines and you have cross-ticketing between two different companies--norOntair and Air Canada in this case--there is not very much control on costs, and the costs are much higher. I would think that if somebody wanted the business, he could come in and take the Earlington-Kirkland Lake route, say to North Bay or maybe right through to Toronto, and probably bring it in for half the price of what I paid today for a ticket.

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Hopefully, that will happen. I do not know if it will. If it does, I am sure passenger traffic will double, because right now \$310 is a real strain on small businessmen in my area and it is only corporate travellers for bigger companies who are using the service--people who have big companies behind them paying that air fare. It is very expensive, and that is one reason. The service is great, it is super, but it is very costly. That is one problem.

I would like to ask Mr. Dymont a question in order to get a clarification. I believe a few years ago there was tentative cabinet approval to enter into a contract, possibly with Via Rail, for the purchase of double-decker train cars for this. My understanding is the cost got so out of hand that Via actually did not enter into the contract with the supplier and therefore our piggybacking with it never occurred. What is the latest on that and any order to upgrade our equipment?

Mr. Dymont: That issue had to do with the Toronto-Kapuskasing night train; it is a service we jointly operate with Via. The contract which we had hoped to enter into was with Hawker Siddeley to use the GO commuter cars which are used down here, the ones with the tapered ends, and modify those to intercity vehicles. The price in strictly the ONTC-Hawker Siddeley negotiation got up in excess of \$3 million per car. We lost interest. Subsequent to that, they took the design we had negotiated with them and tried to make a sale to Via. I understand that is going badly as well.

Mr. Ramsay: Now that arrangement has failed to materialize, do you have any contingency plan as to how we can upgrade the equipment?

Mr. Dymont: At the same time that was going on we realized that we had our own services, such as the Moosonee train and the excursion activities, that needed new equipment. We purchased 20 of the old single-level GO commuter coaches and we are now upgrading those to intercity coaches. The first three will roll off our line this summer and be put up on the Moosonee branch. That program could be extended to provide equipment for the night train, if the night train is to continue; there is not a firm plan to do it, but that is an alternative, a much more economical alternative than going to the double-decker.

Mr. Ramsay: You bring up another question in your answer. You talk about "if the night train continues." What is the thinking of the commission at the moment? Are there ongoing discussions about looking for varied passenger rail services? Are you waiting for some direction from the ministry? Where are you at now? I am just thinking about passenger rail service.

Mr. Dymont: We are really in the discussion stage with the ministry. That is kind of a stage that is recycled about every three or four years. We operate two trains into northeastern Ontario, a day train and a night train; that quantity overservices the corridor. The difficulty we have is that the people in Kapuskasing, as an example, want to get on a train, sleep and get into Toronto in the morning, and the people in North Bay do not. We cannot leave Kapuskasing and North Bay at the same time; so we have a problem in that we have two hemispheres to satisfy.

Our suggested solution in the past was to run just a day train from North Bay, or perhaps from Temagami, to get that southern market to Toronto, down and back in a day, and then to recognize that people in the more northern parts of our territory want a night train. It would cut the frequency of travelling we now are incurring.

Mr. Leluk: During your slide presentation, you mentioned that your commission owned two Dash-8 aircraft. I understand that 1985 marked the first full year of service for your Dash-8 services to Timiskaming, Sault Ste. Marie, Sudbury, etc. You indicated that only one of these aircraft was in service. Has norOntair experienced problems with its Dash-8 service? Why is only one aircraft in service and how long has the other one been out of service?

Mr. Dymont: The first Dash-8 we received was the sixth off the assembly line. It was the first Dash-8 to fly commercially anywhere in the world. The aviation industry tends to look at how aircraft perform in terms of the percentage of time they are not usable for mechanical reasons, and that first aircraft was available for use for everything but mechanical reasons 98.9 per cent of the time. For a brand-new aircraft, that has to be considered pretty commendable. As far as the aircraft itself is concerned, it is performing admirably.

The first aircraft went into service and it is providing the best rate of revenue return to Ontario Northland of any route, so the Dash-8 aircraft is performing, revenue-wise and passenger-wise, better than any Twin Otter we have or better than any other route we have. From that point of view, it is great.

The first Dash-8 aircraft we got in December 1985. We got the second Dash-8 aircraft about March of the following year and it crashed about 30 days after we got it. It is just now about ready to come back to us.



Mr. Leluk: It crashed?

Mr. Dymont: Yes. It was on a training flight at Sault Ste. Marie and, unfortunately, crashed short of the runway. That aircraft really has not been in service. Nobody was hurt.

Mr. Leluk: How long has it been out of service?

Mr. Dymont: About a year.

Mr. Leluk: What is the cost of one of those aircraft?

Mr. Dymont: I am going to guess. The province paid \$4.5 million for each of them and a Dash-8, to the best of my knowledge, sells now for somewhere between--if you buy the version we have--\$7 million and \$7.5 million.

Mr. Leluk: Do you know what the repairs to that aircraft cost?

Mr. Dymont: The cost, of which we are aware, is about \$4 million.

Mr. Leluk: Almost the cost of a new aircraft.

Mr. Dymont: A new aircraft today would be \$7 million to \$7.5 million, but it was insured.

Mr. Leluk: Do you have adequate requirements? Is the need there for two of those aircraft for the transporting of passengers back and forth?

Mr. Dymont: It is a question we really have not answered, because we have now gone to the private sector and said, "You tell us what you think should be done with norOntario." We have two Dash-8s, six Twin Otters and a Chieftain.

Mr. Leluk: Surely, when the commission purchased those two aircraft, there must have been some demonstration of need. Has that need subsided? Is it about the same? Was there really a need for two Dash-8 aircraft?

Mr. Dymont: Yes, when the decision was made there were several factors. One was that norOntair had identified the need for an aircraft bigger and better than the Twin Otter. At that time, norOntair's passenger loadings were climbing dramatically. That was about 1980 when the decision was made to get a larger, better aircraft. All the airline carriers in Canada suffered a dramatic decline in 1982, as did norOntair. That projection is now climbing again. So if we had the second Dash-8, it would go back into service and be productive.

Mr. Leluk: You expect to do that shortly then; put it back into service now that it has been repaired and has been out of service for one year?

Mr. Dymont: We hope to receive the second Dash-8 by the end of March and we will send our first back for a few modifications. The fact that it is the sixth aircraft off the assembly line means there are things that have been found with the Dash-8 aircraft that require modification and alteration. We will send it back and it will probably be modified, altered and brought up to current specs and back in our hands by September, so we will not have two aircraft until about September. Now if the RFP--request for proposals--says that we continue to operate norOntair as is, we will put them both in service.

Mr. Leluk: Do you know what the cost of the modifications to the other aircraft will be? How much will that cost?

Mr. Dymont: Very little, because the modifications are primarily provided by the supplier.

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Mr. Leluk: I have a question on another topic. Does your commission promote tourism in the north? If so, what do you people do to promote tourism, to maybe increase traffic flow, whether it is by rail or by aircraft which you people operate?

Mr. Dymont: We spend about \$350,000 on ads. We have a staff in North Bay of three people who do nothing but tourism, so we are pretty visible in the north.

Mr. Leluk: You feel the investment in dollars and time is paying off; you are seeing an increase in people travelling in the north, holidaying and this type of thing?

Mr. Dymont: Certainly, there are people travelling. The communities in the north, especially the Cochrane-to-Moosonee communities, would like to see us do more, but it is arguable whether more advertising will bring more people. We also feel the communities themselves should be doing more to help themselves.

Mr. J. M. Johnson: I have a question for Mr. Spooner. This is a follow-up on Mr. Leluk's question. Since most of the members of this committee are from southern Ontario and are very interested in the tourist business, especially the fishing in the north, do you not think it would be a good idea to invite the committee to come up this summer?

Mr. Leluk: Via norOntair; send one of those Dash-8 aircraft down here.

Mr. Ramsay: Are you working on my election campaign?

Mr. J. M. Johnson: If you want anybody to promote the tourist industry, you cannot find a better group than the group here, especially the member for Kitchener (Mr. D. R. Cooke). You do not have to answer that.

Mr. Hayes: On the question dealing with promoting tourism in the north, I just caught the one thing Mr. Dymont said, that the commission is very visible to communities in the north. What is really being done in your advertising in other parts of this province to promote tourism in the north?

Mr. Dymont: About 40 per cent of our advertising budget is spent in southern Ontario, primarily in newspapers. We have a tourism office here in Toronto staffed by two people in the winter and five people in the summer. To that extent, we are making an effort in the south.

Mr. Hayes: Are you getting your money's worth the way the advertising is being done, or do you feel you should be promoting more in other areas across the province?

Mr. Spooner: We work with tour operators. A lot of tours come into the north country and take the Polar Bear Express, the summer excursion train



we operate out of Cochrane to Moosonee. We handle about 22,000 people each year on the Polar Bear. The tours are pretty valuable for the communities in the north because they usually build in hotel stays in various places, whether it be North Bay, Sudbury, Timmins, etc. I think we are getting value for our money. It is pretty difficult to put a figure on it, but without the advertising we do, I think we would find reductions throughout the whole north country.

Mr. D. W. Smith: Did you ever think it would be worth while to advertise in, say, the states of Michigan, Wisconsin and maybe Minnesota? Do the people from those three areas move up into there? Have you done surveys as to the number of travellers out of those three states?

Mr. Spooner: That information is available from our people. The tourism people in our organization also attend a number of the various affairs put on by tourism associations in the United States. For instance, I think it was last year or the year before, we tried to go into a new area and did not find it very remunerative. We know where the tourists come from, through the tour operations and so on. A lot of them are coming from Michigan, Illinois and the states closest to the Ontario border. I think our advertising there is paying results.

Mr. D. W. Smith: Have you any percentage of American tourists as compared to Canadian tourists?

Mr. Spooner: I think the only place we may have that is on the Polar Bear Express.

Mr. Dymont: I do not know the figures offhand. We do a census every year to find out where the tourists come from, and our records indicate which state and what percentage that represents of the total.

Mr. D. W. Smith: Would you be able to make that survey available to the committee or is it too detailed?

Mr. Dymont: No, we would have no problem making that available.

Mr. J. M. Johnson: Mr. Spooner, would the Ministry of Tourism and Recreation not do many of the things Mr. Smith suggested?

Mr. Spooner: Yes. There is very close contact between our people and the ministry, which is much more involved. The ministry is involved in all the operations of tourism throughout the north country, whereas we are concerned with our particular sphere of operation. There is very close contact there.

Mr. J. M. Johnson: But there would not be too much overlap, because surely the ministry would be promoting the Polar Bear Express.

Mr. Spooner: I do not think there would be any overlap. If we had publicity on the Polar Bear Express, I am sure it is available in the tourism booths, wherever they may be located, that are supported by tourists.

Mr. Chairman: Are you operating to capacity during the tourist season on the Polar Bear Express?

Mr. Spooner: We have some days where there is a capacity. We can handle 600 people, but a good average day is about 400. Some days of the week it may be 325. The low points are at the beginning of the season and towards the end.

Mr. Chairman: Does that line operate year-round from a commercial standpoint?

Mr. Spooner: There is a regular train in and out of Moosonee three days a week. When the Polar Bear operates five days a week, we only operate the Moosonee train, as we call it, twice a week and use the Polar Bear to replace the third day's operation for the regular train.

Mr. Chairman: The tourist trip on the Polar Bear Express, that does not go up and return on the same day, does it?

Mr. Spooner: Yes, it returns on the same day, but there are facilities in Moosonee if you make a reservation to stay over.

Mr. Chairman: I have been to Moosonee. I do not think it could accommodate 400 people.

Mr. Spooner: No, it could not accommodate 400. It could accommodate perhaps about 60.

Mr. Chairman: That is what I was curious about when Mr. Smith and Mr. Johnson were talking. This is something that could be done in Moosonee. I have been to Moosonee and I am not casting any aspersions on it at all, but it is hard to imagine spending an evening there, let alone a couple of days. Is there something that should be done in Moosonee, perhaps with government assistance or whatever, to make it an attractive tourist spot so people could stay there?

Mr. Spooner: There are some problems in Moosonee, as you can imagine and as I am sure you know. The streets are not paved. I understand the airport strip is going to be paved this year, at which time the municipality intends to engage the same contractor to do the streets. That would help. Some people complain it is a little muddy if you happen to get there on a day when it is raining. When it is dry, it is kind of dusty.

The people of Moosonee are going through a period of greater interest in their home and their municipality. For instance, they recently built and found very acceptable a new community centre, which has a skating arena, a hall and a curling rink. The minister has been there on a number of occasions. Someone was there also from the ministry about three or four weeks ago when they had the official opening. That will help things in Moosonee.

There are shops that handle Eskimo carvings and artefacts of various kinds. Some of the ladies in the community have various articles for sale and things like that, but as far as entertainment in the evening is concerned, I really have no idea. I guess you turn on Timmins television.

Mr. Chairman: I spent a week there one day.

Further to that, you operate a ferry--I think it is a converted barge--between Moosonee and--

Mr. Spooner: We have a barge. Two Bay Enterprises Ltd. is the company that owns quite a good-sized launch. It operates a service to the island and back and it also operates a service down the river for tourist trips. I think it is kept pretty busy.

Mr. Chairman: Is the ferry between Moosonee and Moose Factory used? Is anybody on it?



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Mr. Spooner: Yes. There is a lot of traffic back and forth. Also, a lot of the native people have canoes which they rent out. They will charge you a fair price to take you over to the island. It is a bit of an experience to a Torontonians who has never been north of Barrie to go on a canoe trip. I should point out the ferry is primarily used for freight.

Mr. Chairman: I have been there and gone across.

Mr. Spooner: With a truck on the ferry at the same time.

Mr. Chairman: They seem to have trouble up there. I do not know whether it is a bay or a river; I guess it is a river. Is it sediment? It is a very narrow channel, I believe.

Mr. Spooner: That is right. We have been in touch with the federal people on a number of occasions to ask them to do some draining or deepening of the channel. They do it in one year and the next year it fills up again. Then it moves, depending on the tide and so on. There is a pretty heavy tide at Moosonee. The Polar Princess, which is a launch operated by a private company, will run into a shoal once in a while. They have to fool around a little bit, put the thing in reverse, back out and get going once more. We will get a blast from the captain or somebody. They will say, "That so-and-so river is not deep enough." Of course, at that particular time the tide is out and therefore the water is low. If you come back in a few hours when the tide is in, the water level is high and you do not hit the shoals.

Mr. Ramsay: It is our only seaside resort in Ontario.

Mr. Chairman: Just to change the subject a bit, if I may, some time ago your commission was discussing the privatization of Star Transfer. This seemed to be quite contentious at the time. I should not say suddenly it stopped, but it just sort of died. I have not heard too much about it. What is happening there now?

Mr. Spooner: It died because we did not get any buyers. It was a little difficult for us to find a buyer who was acceptable to our arrangements. For instance, we had protection for our employees as one item. Then there were other things. We did not find a buyer in the offing. At that time also, I think perhaps the whole area of highway transportation was going through some changes. We advertised it and we tried to dispose of it but unfortunately we could not do so. We continue to operate it.

Mr. Chairman: The present trend is just to give it away. That is the way it is done today.

Mr. Spooner: It is difficult.

We try to provide a service. For instance, we deliver parcels express to Gogama and Foleyet. Nobody else is going to do that unless he gets a full load, and then he will wait until the load is full before he moves. We go twice a week to those little places and people can depend on us. There is no money in it, that is for sure, but it is a social service that is being provided. Sure, it is costing somebody. Whether it is the commission or the government, it is costing some money.

Mr. Chairman: Are you not giving arguments against getting rid of it anyway?

Mr. Spooner: We are giving arguments because we could not leave those people without a service. Therefore, you say to a prospective purchaser, "Mister, you will have to continue this service," and he says: "No, I do not want to do that. Unless I can make money, I am not going to run my trucks anywhere."

Mr. Chairman: Knowing that, it makes me wonder why there was an attempt by your body to find a buyer in the first place.

Mr. Spooner: We tried that, let me assure you. I was almost a salesman travelling the streets, trying to find somebody who would buy it, but there were those conditions that had to be met.

Mr. Chairman: In other words, a potential buyer would have to guarantee the continuance of that service?

Mr. Spooner: That is right. That makes it a little difficult.

There was the question about our employees. We were very concerned about people. We did not want to put them out in the street. Remember that 86 jobs in Timmins is a lot of jobs.

Mr. Chairman: I understand. I have reached the end of my questions.

Mr. Spooner: Excuse me. In connection with Star, after we could not find a buyer for Star, we started to negotiate with a transportation company in southern Ontario. We ended by entering into an agreement with Kingsway Transports. Kingsway delivers and picks up goods for us south of North Bay and we do the delivering north of North Bay for them and for ourselves. That has meant that we have reduced our cost because we no longer operate a terminal here in Toronto. Kingsway picks up and delivers for us. We find that satisfactory. We have achieved that much anyway.

Mr. D. W. Smith: This is supplementary to what you were saying, Mr. Chairman. Did you ever have any dealings or requests from Dunlop Transport of Petrolia?

Mr. Spooner: I would not know offhand.

Mr. D. W. Smith: When I first became a member, they wrote me a letter and wondered why the government was running so many of the truck lines in northern Ontario. We did a little research on it and found out exactly what you said, namely, nobody could make any money. I think they were against government-run trucking firms; yet they would not be prepared to go in either.

Mr. Spooner: No.

Mr. D. W. Smith: I just wondered whether you had any dealings with Dunlop Transport.

Mr. Spooner: I have a friend who belongs to the same Rotary Club that I do and every once in a while he gives me a blast about government intervention in private business and all that. I tell him: "You run my norOntair aircraft and we will give you the deal," but I have no takers yet.

Mr. Chairman: We seem to have run out of questions and it is about that time at any rate. Mr. Spooner, thank you for coming forward.



Mr. Hayes: I have a short question.

Mr. Chairman: You are going to disrupt the ending, are you?

Mr. Hayes: I have one short question. Mr. Dymont, you mentioned earlier in answer to one of the questions about there having been a reduction of 200 jobs over the past five-year period. I am sure you are talking about being more efficient and dealing with new technology and what have you. What is the Ontario Northland Transportation Commission doing with regard to plans to create or provide jobs in the north through your system?

Mr. Dymont: The program, which I mentioned in response to Mr. Ramsay's question about the passenger cars we are building in our own shops, for example, is creating 25 new jobs. The thrust of Ontario Northland is to reduce the reduction as much as we can by creating these jobs, but especially in the railroad business, things can be done with less labour than they could in the past. I suspect our labour force will now remain static rather than continue its reduction.

Mr. Mancini: How many of our native people do you have working in your corporation?

Mr. Dymont: I guess it would be 75.

Mr. Mancini: What percentage is that?

Mr. Dymont: The work force is 1,500.

Mr. Spooner: That is five per cent.

Mr. Mancini: Is that a figure you are happy with? Are you making efforts to try to train and employ more, particularly since unemployment rates for that particular group is so high?

Mr. Dymont: The native population we serve is primarily located in Moosonee, and considering the responsibilities we have in northeastern Ontario, that is not a bad figure.

We certainly do make an effort to hire natives. We find they are good workers and we are pleased with them.

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Mr. Mancini: I am concerned about the tremendously high unemployment rate and the lack of training the native people find themselves with; so I thought it would be a good opportunity to have intensive training opportunities. I am sure you would agree with me that their opportunities are very limited for a number of reasons.

Mr. Dymont: There is no doubt about that. The population we serve in northeastern Ontario is about 180,000. If you look at the cross-section of employment in Ontario Northland, the percentage of natives is disproportionate to the number they represent in that cross-section. I think we are doing a good job.

Mr. Mancini: But their unemployment rate is also disproportionate to everybody else.

Mr. Dymont: That is true.

Mr. Chairman: Since there are no further questions, Mr. Spooner and Mr. Dymont, thank you for coming. We had planned to leave ourselves lots of room this afternoon for additional questions. Since we have not, you will get to enjoy the hospitality of Toronto, which is a little more exciting than Moosonee on most days. Thank you for coming. Have a safe trip.

Mr. Spooner: Thank you, gentlemen. It was a pleasure to do business with you.

Mr. Chairman: We are trying to lock in the Pesticides Advisory Committee for tomorrow at 10 a.m. That will be in this room. If something happens and they cannot be here until two o'clock, your offices will be notified. Let us assume it is 10 o'clock tomorrow morning.

The committee adjourned at 11:52 a.m.



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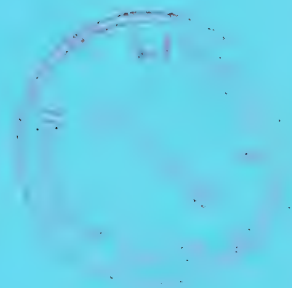
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STANDING COMMITTEE ON GOVERNMENT AGENCIES

AGENCY REVIEW

PESTICIDES ADVISORY COMMITTEE

THURSDAY, MARCH 5, 1987



STANDING COMMITTEE ON GOVERNMENT AGENCIES

CHAIRMAN: Gregcory, M. E. C. (Mississauga East PC)

VICE-CHAIRMAN: Mitchell, R. C. (Carleton PC)

Cooke, D. R. (Kitchener L)

Epp, H. A. (Waterloo North L)

Hayes, P. (Essex North NDP)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Leluk, N. G. (York West PC)

Mancini, R. (Essex South L)

Marland, M. (Mississauga South PC)

Smith, D. W. (Lambton L)

Swart, M. L. (Welland-Thorold NDP)

Substitution:

McNeil, R. K. (Elgin PC) for Mrs. Marland

Also taking part:

Miller, G. I. (Haldimand-Norfolk L)

Clerk: Arnott, D.

Staff:

Eichmanis, J., Research Officer, Legislative Research Service

Witnesses:

From the Pesticides Advisory Committee:

Howard, Dr. K. A., Chairman

Smith, Dr. L. F.

Fowle, Dr. C., Vice-Chairman

Cameron, R.

From the Ministry of the Environment:

Giles, J. W., Associate Deputy Minister, Intergovernmental Relations and  
Strategic Projects Division

Onderdonk, J., Manager, Agricultural and Industrial Chemicals Section



LEGISLATIVE ASSEMBLY OF ONTARIO  
STANDING COMMITTEE ON GOVERNMENT AGENCIES

Thursday, March 5, 1987

The committee met at 10:16 a.m. in room 151.

AGENCY REVIEW

Mr. Chairman: I see a quorum. Perhaps we can get started. We have with us today the Pesticides Advisory Committee. Dr. Howard, perhaps you could come forward and any of your group you want to come forward with you.

We do have the problem that if you are speaking, you need to be in front of a microphone so we can record it for history on Hansard.

Dr. Howard, I certainly would like to welcome you and your group. Thank you very much for adjusting the schedule. I hope it did not inconvenience you too much, but it worked out better for the committee and we called the meeting, so I guess we make the rules. I do welcome you.

You understand the purpose of the meeting. It is simply a review by this committee which has as its mandate the duty of investigating or reviewing different committees, not with anything particular in mind, but to give us an opportunity to understand just what the different committees are doing. So with that, sir, I would ask you if you would like to introduce your associates and if you have any opening remarks.

PESTICIDES ADVISORY COMMITTEE

Dr. Howard: Thank you very much, Mr. Chairman. Certainly, we would like to thank you and the members of your committee for the opportunity of meeting with you and appearing before you.

I would like to make a few brief opening comments and then, if you will, open the presentation for discussion.

First, I would like to compliment John Eichmanis on the document that he and his group have put together for you. Essentially, it is a very good brief, a very good overview of the activity and the function of the Pesticides Advisory Committee. As that document indicates, the Pesticides Advisory Committee is a long-standing committee. It has been in existence some 20-odd years.

As you know, the committee is required by statute and essentially the functions of the committee are to review the content and operation of the Pesticides Act and its regulations, to review all publications of the Ontario government on pesticides and the control of pests and to review and recommend the classification of all new pesticide control products prior to their sale and use in Ontario. In addition, our mandate and function include the consideration of any matters the committee considers advisable with regard to pesticides and the control of pests, either on our initiative or such matters referred to us by the minister. We are directed by our mandate to report on these matters directly to the Minister of the Environment.

The committee's role is essentially that of gathering, evaluating and

assessing information on the complex and constantly changing matters of pesticides and the control of pests and of reporting on these matters to the minister.

The chairman and members of the committee are appointed by order in council. On recommendation of the minister, members are paid a per diem fee. Members are selected on the basis of expertise, and the membership has a remarkably diverse background, including areas of wildlife and biology. Several of our members are directly involved in farming, cash-crop farming, orchard farming, biochemistry, analytical chemistry, soil biology, forestry, environmental biology, toxicology, plant physiology, veterinary medicine and structural pest control.

There are presently 15 members of the committee. Three full-time staff members are provided by the ministry, one executive secretary and two support staff, to handle the administration of the committee. There is a very strong and, I think, effective relationship with the ministry's hazardous contaminants branch and, indeed, a member of that branch serves as a resource person to the committee.

The committee members who are here today--and I would like to introduce them to you--represent something of the background of expertise that serves with the committee. Dr. David Fowle, on my right, has recently retired as a professor from the department of biology at York University. He is a past chairman of that department. He is currently associate director at the Centre for Research on Environmental Quality of York University and is a member of the scientific committee on problems of the environment. Dr. Fowle is internationally recognized and has a good number of publications. He is currently serving as vice-chairman of the Pesticides Advisory Committee and has been a long-standing member of this committee.

Dr. Les Smith is a senior medical consultant in toxicology with the public health branch of the Ministry of Health. Dr. Smith is a medical doctor. She has expertise and is widely recognized for her expertise in epidemiology and has done a lot of work in the pesticide area.

Ron Cameron owns and operates a 750-acre farm in the Kent county district, which is involved in processing vegetables, tomatoes, grain, soy beans and beef cattle. Mr. Cameron is very active in agricultural organizations. He is an active member and past chairman of the Ontario Vegetable Growers' Marketing Board and also of the Ontario Fruit and Vegetable Growers' Association. He is presently chairman of the crop protection committee of the Canadian Horticultural Council and the Canadian Federation of Agriculture. Mr. Cameron served as a member of the Ontario Task Force on Health and Safety in Agriculture.

My role is that of chairman of the committee. My academic background is in veterinary medicine. My business experience is in the area of administration of research and development and regulatory affairs with the veterinary pharmaceutical and latterly the agricultural chemical industries.

I retired from my position in industry in 1983 and have been serving as chairman of this committee since November, 1984. Certainly, we look forward to our discussions with you this morning. If it is acceptable and in order, as questions come up for discussion, we would like to have them discussed by the appropriate members of our committee here today.

Mr. J. M. Johnson: I wonder, Mr. Chairman, if we could start by



asking if a couple of the people who are with the Ministry of the Environment would also come up, as some of the questions will relate to that ministry? There are two chairs here that are close to the mikes.

I would like to start, Dr. Howard, by paying tribute to your committee and certainly the representation on it, because you do cover a complete cross-section of the affected people, not only the consumers but also the producers. It is very important to have all of the perspectives.

I have several concerns and several questions to ask. I was one of the committee members who requested that you appear before our committee because I have a riding in Wellington-Dufferin-Peel that has a lot of farmers and people who are very concerned with the problems relating to the pesticides issues. The latest example is Tilt, the red wheat problem last year, but I want to concentrate on a few others.

I would like to use two examples as we start off. One is 2,4-D and another is DDT. Now, 2,4-D is under study and in use now, but DDT has been banned for 10 years and yet it is used in Mexico and many of the Central and South American countries. We are importing food--fruit and vegetables--from those countries and yet we will not allow our people to use it. I want to clarify one point before there is any misunderstanding. I fully accept the fact that we should not be using DDT and I accept the fact that we should do everything we can to make sure we have environmentally safe produce in this country.

Where I have a great deal of difficulty is, how do we protect our people when we refuse to allow our farmers to use certain chemicals and yet we allow the importation of fruit and vegetables from other countries that are using these chemicals? Could you possibly give me some clarification on that?

Dr. Howard: Your concern settles on the possibility of food residues, of exposure of the general population through residues from say, imported food, nuts or oranges that have been treated with 2,4-D in another country?

Mr. J. M. Johnson: No, not 2,4-D, DDT.

Dr. Howard: Oh, I am sorry, DDT.

Mr. J. M. Johnson: That is one question.

Dr. Howard: That comes under the jurisdiction of Health and Welfare Canada, the food additives branch. They constantly monitor and have a very active program in monitoring food samples, specifically of imported food. There are, with DDT, no legal tolerances for that substance in foods in Canada, to my knowledge. Therefore, if imported foods, as they are sampled by Health and Welfare on entry into the country, are found to contain residues of DDT, they would be detained at the federal level.

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Mr. J. M. Johnson: I realize it is an extremely complicated process, certainly for you people, to have any control over what they do in Mexico, Central American or South American countries.

One of the problems I have is that we in Ontario should defend and protect the rights of our people and what they eat. We are so concerned with

our Ontario-grown food, I wish we had more of that concern about imported foods. An article that appeared in Pollution Probe the other day gives me a great deal of concern. It is the winter 1987 publication. It relates to the story of Snow White and the poisoned apple and it says, "Ontario apples and other fruit samples contain an incredible amount of dioxins--37 times more than the acceptable annual intake." It goes on to mention that milk has 19 times more and that meat and eggs have nine times more than the acceptable annual intake.

The consumer reading this article will read that Ontario apples are not fit to eat, yet I would be very surprised if our Ontario apples are not as safe as or safer than any apples in the world. But that is not what the publication says. What are we to do about this? I am a member who represents a rural riding and is concerned for the fruit growers. How can you explain this type of publication?

Dr. Howard: It is an extremely difficult situation.

Dr. Smith: I have never seen that, but I am familiar with the report that makes this statement. I understand that report is under review. It is published, in the sense that it is widely disseminated. It is not a peer review then published report. Additional work that was done subsequently did not confirm this. I do not have the actual data to back up what I am saying, but that is my understanding about it. We do not have any control over what is stated in publications. Unfortunately, I do not believe that to be correct.

Mr. J. M. Johnson: I guess we cannot classify it under hate literature. I have a personal concern for that type of thing because a few months ago it was brought to my attention that last September a teacher brought a group of children out into one of the fruit farms in the Caledon area and the first question the teacher asked the owner of the fruit farm was, "Show the children the poison you spray on the apples." I do not know where the Ministry of the Environment is in protecting us from this type of thing, but it is just the type of sensationalization we do not need.

Dr. Smith: I do not believe the committee is responsible for the sensationalization.

Mr. J. M. Johnson: I was addressing that to the Ministry of the Environment.

Dr. Smith: It is the interpretation by the public of some of the data that are gathered in a scientific context and then reworded.

Mr. Epp: Actually, to be fair, that is also an educational problem and should be taken up with Mr. Conway.

Mr. J. M. Johnson: I already have taken it up. He spoke in the House on the issue and he said he was very concerned about it. It is an educational problem. I just mention those things to start off the line of questioning.

Dr. Howard: Your point is very well taken and this committee's role in that kind of situation would be to assess the validity of the scientific basis of the situation. I agree there is a major problem in understanding interpretation of scientific information in the lay press and from organizations that have a particular bias. In that sense, we see this committee's role as dealing with the science involved in that kind of situation.



Mr. J. M. Johnson: Okay. That is just the background of some of the questions I would like to ask now. In October 1986, the Minister of the Environment (Mr. Bradley) placed a moratorium on the introduction and use of new products containing the herbicide 2,4-D. Was it designed so this ban does not apply to the more than 280 products containing 2,4-D already on the market, just the new products?

Dr. Howard: That is correct.

Mr. J. M. Johnson: It is my understanding that your committee is to convene, or has already done so, a panel of international experts to assess the available information and make recommendations on the use of 2,4-D in Ontario. Is it under way?

Dr. Howard: The panel of international experts has been convened and is in the process of reviewing all the available scientific information with regard to the questions that were raised. The initial release of concerns about the carcinogenicity of 2,4-D started about six or nine months ago now. That panel is expected to complete its deliberations and submit its report to our committee within the near future.

Mr. J. M. Johnson: Have you any idea of when within the near future is?

Dr. Howard: The panel has been faced with a tremendous job. It was convened in early fall or late November. The target has been that the report from the panel will be available for consideration in relation to this use season.

Mr. J. M. Johnson: Two federal departments, the Department of National Health and Welfare and the Department of Agriculture, are also conducting studies.

Dr. Howard: That is correct.

Mr. J. M. Johnson: What is the point of having three studies?

Dr. Howard: I understand your question. There was an indication directly from the federal Department of Agriculture and the Department of National Health and Welfare that the matter was under consideration but that they did not anticipate being able to complete their review of the available information for some unforeseeable time in the future.

The thinking within the ministry was that if there was serious concern about the carcinogenicity of the compound, possibly the ministry should consider implementing some action in advance of the position reviewed by the federal agencies. The thinking was that an expert panel would be convened on that basis to assess the significance of the concerns.

Mr. J. M. Johnson: The concern I have is that we have two departments of the federal government and one ministry, or at least you people working through the Ministry of the Environment at the Ontario level. Not only for this issue of 2,4-D but also in all new chemicals that need to be registered, why is one body not empowered to make the determination of what is safe for all of Canada, rather than have three separate groups? Does it not create a bottleneck?

Dr. Howard: Certainly, I agree with you. This committee's position, and I believe it is the ministry's position, is that it is essential and crucial to have a basic national body primarily responsible for reviewing the scientific aspects of our pesticide regulation in a primary sense.

The federal Department of Agriculture has primary responsibility for registration of pesticides in Canada, and there are a number of agencies, National Health and Welfare, Environment Canada, Fisheries and Oceans, that serve in a consultant role with the federal Department of Agriculture. Canada is recognized internationally as having very high standards, perhaps as high as anywhere in the world, with regard to health, safety and environmental aspects in reviewing pesticide matters.

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At times, the federal agencies are unable to complete a review process in time to recognize an urgency of need of a compound, whereas this committee and the ministry strongly support the fact that no pesticide should be registered in Canada unless it meets the high federal standards.

There have recently been a number of situations where there has been a very critical need for a pesticide compound that, in most cases, has been available in other jurisdictions but the federal review process simply has not been completed. I should comment that the federal review process normally takes two to three years.

In a case such as that, and where there can be special and urgent need in Ontario for a particular compound, or in the case of 2,4-D, this committee and the ministry have seen fit to review the available data on a scientific basis, look at the very circumscribed and specific use in Ontario and see whether, in the committee's opinion, the compound can be safely used in Ontario.

Mr. J. M. Johnson: It was my understanding that last year, Tilt was licensed by the federal body to be used in some of the western provinces and in Quebec but not in Ontario.

Dr. Howard: The fungicide Tilt received a federal registration, I believe, in April or May of last year.

Mr. J. M. Johnson: In Ontario?

Dr. Howard: It was a federal registration. Then from the point of federal registration, for the product to be legally sold in Ontario, it must also be classified and listed in the schedule under the regulations of the Pesticides Act.

Unfortunately, the federal registration occurred very late in the season, and there was simply inadequate time for the Ontario review system and classification recommendation to proceed in time for use that season.

Mr. J. M. Johnson: So we are back close to spring and it is needed again. Where is Tilt on your agenda?

Dr. Howard: The federal registration on Tilt extended last year was a temporary registration that expired as of December 31. The temporary registration was renewed by the federal agencies in February of this year.



This committee had virtually completed its review process of the compound. We received one final, crucial piece of information from the federal agencies, approximately 10 days ago. Within two days of receipt of that critical piece of information, this committee was able to complete its review. It is now in a position, or will be within a few days, to make a recommendation to the minister with regard to the compound and its use in Ontario this year.

Mr. Chairman: Can we have a supplementary from Mr. Hayes?

Mr. J. M. Johnson: Sure.

Mr. Hayes: The supplementary is with regard to the panel. The Minister of the Environment had "asked the Ontario Pesticides Advisory Committee to convene a panel of international experts to assess information and make recommendations on the use of the herbicide" 2,4-D. That was from an article that was in the Globe and Mail on November 1, 1986.

It mentioned a panel of international experts. There is one group of people from the University of Kansas who worked on 2,4-D studies, which reflect on the farmers and workers. Was this particular group or any of the experts from the University of Kansas invited to participate in this panel?

Mr. Chairman: I really do not think that is a supplementary.

Mr. Hayes: I am sorry, Mr. Chairman. He was talking about--

Mr. J. M. Johnson: We can come back to that. I wanted to follow through on Tilt.

Mr. Chairman: I think we should avoid trying to move in by using the word "supplementary." Sometimes they are not supplementaries.

Mr. Hayes: I am sorry, Mr. Chairman. The question was brought up in regard to this particular panel that the Minister of the Environment had set up.

Mr. J. M. Johnson: I am going to come back to that.

Mr. Hayes: We will let you bring it up. Go ahead.

Mr. J. M. Johnson: You mentioned that the registration of Tilt has been referred to the ministry and a decision will be made very shortly.

Dr. Howard: We expect to be able to release our recommendation to the minister within a matter of days.

Mr. J. M. Johnson: I do not want to ask you that because I assume the minister will make the appropriate choice, but if it is going to be used, it has to be made available right away or it is not going to be any good for this crop year. The question then is, will the federal people also accept it?

Dr. Howard: I am sorry?

Mr. J. M. Johnson: You said the federal departments of National Health and Welfare and Agriculture had withdrawn it at the end of December.

Dr. Howard: It was automatically cancelled because it was a temporary registration.

Mr. J. M. Johnson: Where is their position now?

Dr. Howard: Their position as of this moment or within the past 10 days is that they have extended registration for 1987 on a temporary registration basis.

Mr. J. M. Johnson: So if you people approve it and the ministry approves it, it can be used this spring.

Dr. Howard: That is correct.

Mr. J. M. Johnson: And you will be making that decision within a few days.

Dr. Howard: Definitely, yes.

Mr. J. M. Johnson: The reason I wanted to mentioned Tilt in relation to 2,4-D is that I am concerned that there is a moratorium placed on it now. There are 280 products in use and you are doing a study. If the study comes out negative, does that mean the 280 products are banned as well?

Dr. Howard: Is your question that if the compound in the opinion of the expert panel is found to be a carcinogen, what is the action at that point?

Mr. J. M. Johnson: Yes.

Dr. Howard: The report of the expert panel--and it is a scientific panel--will be considered by the Pesticides Advisory Committee, together with existing use patterns for the compound, and then the committee will make a recommendation to the minister on what action, if any, should be taken with regard to the compound. Of course, we cannot foresee the opinion and the conclusion of the expert panel. Until we have that in hand, we cannot start to respond to it.

Mr. J. M. Johnson: Yes. One problem I have is that you have an expert panel reviewing and the departments of Health and Welfare and Agriculture in Ottawa are studying it as well. What if there are conflicting reports? What if they say it is okay and you say it is not?

Dr. Howard: If there is a difference of opinion, there is room within the Pesticides Act. As an example, if the minister's opinion was that the compound was unsafe and should not be used in Ontario, there is a mechanism within the Pesticides Act specifically to prohibit use of the compound in Ontario under the authority of the Pesticides Act.

Mr. J. M. Johnson: Yet it could be used in every other province in this country.

Dr. Howard: That is correct.

Mr. J. M. Johnson: And the food produced there could be shipped into Ontario and consumed by our same people. There is no mechanism to prevent it.

Dr. Howard: The principal concern with regard to 2,4-D is the question of occupational exposure as opposed to its presence as food residue. It is not likely there would be a concern about the amount of the compound in food.



Mr. J. M. Johnson: Your concern would be for the farmers spraying.

Dr. Howard: That is the primary concentration of concern, yes.

Mr. J. M. Johnson: That has to be a major concern of any pesticide. In many cases, its proper use determines whether it is safe or unsafe.

Dr. Howard: Yes.

Mr. J. M. Johnson: For 40 years, 2,4-D has been used in this country, and it is one of the best pesticides to solve the problems for which it used. If they are not being allowed to use that, they will turn to some other chemical and use it, and you do not have 40 years' background experience on it. It may or may not be as safe. How do you address that issue?

Dr. Howard: It is a question of assessing the available information on the compound. The accumulated scientific information available forms a good basis for a decision on whether it is safe and reasonable to use a compound.

Mr. J. M. Johnson: It is extremely difficult to say to our people in the Ontario Fruit and Vegetable Growers' Association, "You cannot use it in Ontario, but every other province and the United States can use it." We compete with them. I think we need federal overall control, rather than the individual provinces banning certain products. It seems unacceptable that they can keep it in Quebec and out west but not here--not on this issue, but on any of them.

How about turning to you for a supplementary? I want to drop 2,4-D. Is that okay, Mr. Chairman?

Mr. Chairman: Fine.

Mr. Hayes: I have already asked it. Do you want me to repeat that supplementary?

Mr. Chairman: Whatever you wish.

Mr. Hayes: I am referring to an article in the Globe and Mail, November 1, 1986, where the Ministry of the Environment had asked the Ontario Pesticides Advisory Committee to convene a panel of international experts to assess information and make recommendations on the use of the herbicide 2,4-D. When we talk about the experts, were the experts from the University of Kansas or any of those people who have done a lot of work on the 2,4-D studies on farmers and workers invited to participate on this panel?

Dr. Howard: Members of that research group are not members of the panel. The expert panel was named to provide expertise, entomological review, pathological review, exposure assessment and biochemical aspects. That study is a National Cancer Institute study. The senior author was a person by the name of Hoar. I believe that study was reviewed by the expert panel as one of many studies it considered. The work of the research organization was considered by the panel.

Mr. Hayes: So this would be part of it?

Dr. Howard: I believe that is the case, yes. The mandate of the panel was to review all available scientific information pertinent to the

question of the carcinogenicity of 2,4-D, and certainly that study would be a key one for them to review.

Mr. Hayes: When you talk about international experts, were there international experts on this panel, or did you just look at the work some of these other experts had done?

Dr. Smith: They are international experts. I guess it depends on what the particular expertise of those experts is in and what is needed to assess the issue of carcinogenicity of 2,4-D. That issue is what is brought up in that study, which is an epidemiological study. One epidemiological study does not change, by itself, the classification or the use of a particular pesticide. It may bring to the surface a problem that exists and that triggers an overall review of new data which may point to its carcinogenicity as shown by an epidemiological study.

The panel has considered the epidemiological evidence of carcinogenicity and the basic science evidence of carcinogenicity--that is, all the animal studies and studies of possible accidental exposure to humans--which either confirm it as a carcinogen and therefore modify its classification and use or do not confirm it and therefore allow us to make some other judgement on its classification and use, either the existing use or perhaps some new way of using it, if it can address what the problem is.

You are referring to an epidemiological study by Hoar. As I said, one single study does not change the overall use of a compound unless there is supporting overall evidence that it should be changed. That is what this panel will do. The expertise needed for that is basic science and analysis of all of the epidemiological studies, not just the carrying out of one epidemiological study.

Mr. Hayes: I appreciate that. Maybe I should rephrase my question. Does your panel consist of the Pesticides Advisory Committee alone, or did you get other people involved?

Dr. Fowle: The panel does not have anybody from the Pesticides Advisory Committee on it because it reports to the Pesticides Advisory Committee. The chairman can correct me if I am wrong, but there are three distinguished American members on the panel from Johns Hopkins University, the University of Rochester and another American institution.

Mr. Chairman: Excuse me for asking who.

Dr. Fowle: I am sorry. I was saying no members of the Pesticides Advisory Committee are members of the panel, because the panel reports to the committee. There are three very distinguished American members and two distinguished Canadian scientists, highly regarded in the field of toxicology and epidemiology, on the panel. A very distinguished American scientist has been invited by the panel to review its work, to confirm and criticize its findings.

Mr. Chairman: That is what I wanted to know.

Mr. J. M. Johnson: I have one more question and then I will stand aside. I want to reiterate my earlier comments that I very much appreciate your distinguished committee. You do cover the whole spectrum, and I think you are doing an excellent job. My major concern is overlap between the federal and the provincial areas. Often there appear to be broad enough tielines that



either one or the other seems to be holding things up. I wish there was some way the ministry could help, that it could encourage the federal government to work closer with you and vice versa, so that if you were dealing with one topic, it could be speeded up so there would not be undue delay.

An example is Tilt. It is either safe or it is not. If it is not safe, then that is fine, but if it is safe and we do not allow it in Ontario when it is allowed in the west, we penalize our farmers.

Mr. Giles: I would like to comment on that. This problem is one that has been with us for some time. Through the Canadian Council of Resource and Environment Ministers, a meeting was recently held at which the federal ministers of National Health and Welfare, Agriculture, and the Environment were present with a number of environment ministers from the provinces. As has been explained, the role of the federal government is to decide whether a product can be used in Canada, but each province has its responsibilities as to how it is used, by whom and in what manner.

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The problem we were addressing at that meeting related to the availability of information and the speediness of getting that information so that the minister and the advisory committee would have the benefit of the results of the work in Ottawa. We also had focused on the fact that there seemed recently to be a number of products that had been given these temporary registrations, which really did not answer the question, and yet we were confronted with the decision immediately as to whether or not to permit its use, as you have pointed out with Tilt.

I think what was achieved at that meeting was a willingness and an understanding that we must work much more closely together. Certainly, there was expressed a willingness to have all the information made available promptly to us. We expect there will be an increased and improved working relationship between the two levels of government in this case.

Dr. Howard: I would like to comment on the area that I think we should recognize, namely, that federal registration is essential for our sale and use in Ontario. Roughly 98 per cent of compound products registered by Agriculture Canada have full registration and there is no problem of the sort we have met with the fungicide products, Tilt and others. They are an exception to the rule, and any exception has to be dealt with as an exception. It takes a more intensive examination to make sure a compound can be safely used.

Mr. J. M. Johnson: That sounds good. There have to be the odd exceptions.

Dr. Howard: Yes.

Mr. J. M. Johnson: The US Environmental Protection Agency is the governing body in the United States for environmental protection?

Dr. Howard: Yes.

Mr. J. M. Johnson: Does each state have its own agency such as yours?

Dr. Howard: Yes.

Mr. J. M. Johnson: Is there a lot of interworking relationship with the Americans on these problems?

Dr. Howard: There is a very close intercommunication, certainly at the federal level. Part of the background information this committee considers is information available to it from the EPA and the various states.

Mr. Leluk: Dr. Howard, I would like to follow along the lines of Mr. Johnson's questioning. I happen to have a chemistry background and I am interested in the kinds of information your committee would go after in order to assess chemicals for use as pesticides in this province.

How heavily would you rely on, say, information from the federal review agencies, the departments of Agriculture and Health and Welfare? Is it solely information from these departments and from the federal review agency your committee reviews, or is there other information that comes from the Ministry of the Environment here in the province and from this panel of experts which reports to you? I would like to know a little more about that.

Also, Mr. Johnson referred to the possibility of conflicts in reports, say, by your committee and a federal review agency, on a particular chemical to be used. Is this something that has been common in the years your committee has been in existence? Have we had these types of conflicts and, if so, how were they resolved?

Dr. Howard: To address the first question, perhaps I can give you some understanding of the procedure and the process that are implemented with regard to classification considerations of a compound for use in Ontario.

The first requisite for sale and use of a pesticide in Ontario is that federal registration is required. The second requisite is that it be classified under a regulation in the Pesticides Act. The responsibility for obtaining classification rests with the manufacturer or the marketer of the product. The process is that the manufacturer or marketer of the product would normally apply to this committee, the Pesticides Advisory Committee, to have its product classified.

Together with that application, it would provide evidence of federal registration, together with a complete label, a copy of the federally registered label, full information on the physical chemical properties of the compound--these, of course, are of concern in relation to handling, storage, disposal and so on--and a summary of all data that have been submitted and reviewed by several federal agencies, the departments of Agriculture, National Health and Welfare, Fisheries and Oceans, and Environment Canada. We receive a summary of all data that have been submitted and reviewed by each of those compounds.

In addition, we have direct communication and interface with federal colleagues in a variety of disciplines and expertise. The process is that we gather the full background information on the compound and the data summaries, including summaries of studies on environmental impact, environmental toxicology, human toxicology and so on, representing summaries of probably 30 to 50 scientific studies on a compound.

When the brochure is complete in our hands, parts of the brochure are assigned to members of our committee with appropriate expertise. It is the responsibility of that committee member to review the information that is



available and, essentially, to determine the characteristics of the compound in terms of environmental impact, human toxicology or storage properties.

If they have questions about the compound that are unresolved or not clear in relation to the information that is available to them, they then have resource to the scientific literature, to the federal agencies and to Environmental Protection Agency documents, as a matter of interest. They review the thing in terms of the docket and in terms of their scientific assessment.

It is moved to a subcommittee which then prepares a recommendation on how the compound can safely and effectively be used in Ontario. A presentation is then made to the committee as a whole. We have the benefit of the full range of the committee thinking and expertise and, on that basis, the recommendation is formulated to present to the minister. The committee does have access to a full range of scientific information about a new product.

Mr. Leluk: A great deal of this, though, is information that flows from one of the federal agencies, Agriculture or National Health and Welfare?

Dr. Howard: Yes.

Mr. Leluk: I stand to be corrected, but I think we heard this morning that it could take as long as three years for a new chemical to be assessed federally before it is registered for use as a pesticide.

Dr. Howard: Yes. That is correct.

Mr. Leluk: I take it then that your committee's review of a potential chemical to be used as a pesticide would have to wait for the federal review to take place before you could receive all the information you need.

Dr. Howard: The review process, yes. That is part of the problem we are faced with in terms of new compounds, particularly new active ingredients that have not matured, if you like, through the federal system in terms of review, and yet there is an urgent and critical need for them. These are the exceptions that require more detailed and careful evaluation.

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Mr. Mitchell: As I understand it, your committee relies solely on paper studies as to whether it approves or disapproves. What would happen if someone on your committee held a particular product suspect? Do you have within your framework the ability to hire an outside testing agency or laboratory to examine that particular thing, or because the feds have approved it, do you just walk lockstep with it?

Dr. Howard: No, that is the purpose of our review process. We agree or disagree, essentially, with the review the federal scientists have carried out. If we disagreed with a review and had a different scientific opinion, our recommendation to the minister would recognize the fact that we had a different opinion.

Mr. Mitchell: I am sorry to prolong it, but I have to ask this. Using the particular fungicide Mr. Johnson was talking about, I am going to assume that in all likelihood it is permissible to use it in Ontario and that the feds have given a temporary extension or approval to it. I am being

hypothetical here. You look at it and say: "It does what the farmer wants it to do, but we have questions about what we see on paper. Rather than just replying back, because we find that certain things on paper do not hold true or bother us, we are not going to do an approval." Would you ever do a precise laboratory testing yourself or have someone do it for you?

Dr. Howard: That would not be directly within the mandate of this committee.

Mr. Mitchell: Is there anyone within the government of Ontario who would do that?

Dr. Howard: We could very well recommend that such a study be carried out before use was considered in Ontario.

Mr. Mitchell: Thank you. Sorry, Nick.

Mr. Leluk: That is quite all right. Those were good questions.

Once the federal government gives its approval and registers a particular chemical for use, does your committee have any responsibility for monitoring the use of these new pesticides in Ontario? Do you do this as a committee, for example, if you find there is a problem with a particular chemical? It may be that it is more harmful than originally thought by the federal review agency and even by your own committee in reviewing the material. Would you ask the Minister of the Environment to reschedule this chemical? Has this been done in the past?

Dr. Howard: To cite an example, there could be a product registered federally that had incomplete data with regard to its effect on water organisms; nevertheless, it had a federal registration, with a need to continue to study the effect on aquatic organisms. In its recommendation to the minister, this committee could recommend use with the qualification that very careful monitoring of the effect of the compound in an aquatic environment be carried out. In that sense, this committee's role would be to recommend a monitoring program.

Mr. Leluk: Just the recommendation of a monitoring program.

Dr. Howard: That is correct. In that sense, we are an information agency as opposed to a hands-on agency. Our role would be to recommend rather than to carry out.

Mr. Leluk: In the years it has been in existence, has it ever become necessary for your committee to recommend to the minister that a particular chemical be dropped from the schedule because of, say, the harmful effects being more than they were thought to have been when the chemical was reviewed?

Dr. Howard: Yes. Science, of course, is a constantly evolving, changing process and new information can be generated with regard to a compound and indicate areas of concern. If new information is generated on a compound, that would automatically trigger a federal review of the compound and it would trigger a review of the classification of the compound by our committee. It is not unusual for the committee and the ministry to implement a reclassification of a compound, either moving it to a more stringent or less stringent classification based on the evidence of science.

Mr. Leluk: I would just like to understand what you are saying here.



If a chemical came into question by your committee as being more harmful, possibly, you mean it has to be referred back to the federal review agency for a review before action would be taken here provincially?

Dr. Howard: No. The province can initiate a review unilaterally. In most cases, the primary review would be carried out by the federal agencies; again, in recognition of the need for a national position and review with regard to the pesticide regulatory review.

Mr. Leluk: So it is unlikely that a chemical would be removed from a schedule by the provincial ministry prior to such a review being taken federally in order to either confirm what you people suspect--

Dr. Howard: It is certainly possible for the province to take unilateral action; it would be unusual.

Dr. Fowle: Might I make a further comment on that? The word "monitoring" is perhaps not seen that clearly here. We monitor in many ways. The ministry sometimes does monitor in the field--goes out and does studies, collects samples and measures quantities of residues and that sort of thing--but the committee and ministry staff are constantly monitoring the world literature, reports from the Environmental Protection Agency or from England or wherever.

It would be very unusual that something would happen only in Ontario that would not be detected somewhere else. It is useful to think of monitoring as a much broader activity. We are alerted to something; we alert the minister and he gives us instructions either to follow up, or by that time all the other agencies are also alerted, so everybody is looking at it.

Mr. Hayes: The committee's mandate is to look at alternative pesticides, and I find that kind of restrictive. I am just wondering what your feeling is, and you feel that maybe you should be going beyond that point, maybe looking at biological controls rather than just looking at pesticide alternatives. Can I hear your concerns or comments on that?

Dr. Howard: I would ask Dr. Fowle, chairman of our research subcommittee, to respond to that.

Dr. Fowle: The committee, in its research activities, is anxious to encourage investigations which lead to improved effectiveness in pest control, not in management of pesticides particularly but in pest control. We are indeed extremely interested in any method of pest control. One of the objectives of the research activities of the committee is to try to minimize the use of synthetic chemicals. Just to cite an example, we are at this time assessing the applications for research funding which we have received this year. I do not have the numbers in front of me, but quite a high proportion of those applications, a substantial proportion of the applications which we are proposing to fund, do involve the use of insect predators, parasites, research on Bt--the bacterial--the use of fungi to control other fungi and those sorts of things. We are very interested and active in promoting work of that kind.

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Mr. Hayes: Your mandate is not restricted to looking at alternative pesticides?

Dr. Fowle: No, we are interested in pest management by whatever means are appropriate.

Mr. Hayes: This is out of the New York Times of May 25, 1986, where the Environmental Protection Agency was looking at chemicals that are suspected carcinogens. I do not know if you have this.

Dr. Fowle: I think I have seen it, yes.

Mr. Hayes: Is the committee looking at these ones? There are the trade names Lasso, Temik, Kromad and Cadminate. Is your committee looking at these?

Dr. Howard: Indeed, we are aware of them. There is an ongoing federal review process that is updating and intensively re-evaluating a list of compounds. As an example, as I am sure you are aware, two or three years ago new toxicity information indicated that Alachlor or Lasso was regarded as an animal carcinogen. That triggered a very intensive federal review process and an intensive review process at our level. It culminated in a cancellation of the registration of that compound. The cancellation was challenged by the registrant and has appeared subsequently in court actions, so yes, those compounds are on a review list and there is an active review process.

Mr. Hayes: What kind of access does the public have to your committee?

Dr. Howard: Our mandate is to report to the Minister of the Environment. So, from a practical standpoint, we certainly can make use of information received from whatever source, including the public.

Mr. Hayes: For example, can the public go to your committee and get information or make presentations?

Dr. Howard: Do you mean information on use of or classification of pesticides, for example?

Mr. Hayes: That would be part of it.

Dr. Howard: Generally, information on pesticides and their regulatory aspects are available from other sections of the ministry, specifically the hazardous contaminants co-ordination branch.

Dr. Fowle: Every year, the research committee publishes a summary of the research activities for that year and that is a public document. Anybody can have that. Our guidelines for classification of products are not widely distributed. They are not read like the Toronto Sun, but they are readily available if anyone wants them.

Mr. Hayes: Unless someone has a supplementary question, I have another question about the breakdown of the committee. You might think I sound critical, but how many people on the committee have worked in the past or at any time for agricultural chemical companies? I want to know if there is a balance? Is Joe Public, for example, or someone who does not have any kind of interest one way, allowed on the committee?

Dr. Howard: In relation to present committee membership, my background is from industry, agricultural chemical and veterinary pharmaceutical. There is one other person who has been appointed on the basis of his expertise within the structural pest control business and he is directly employed.



The balance of the committee is primarily academic. Four members of the committee are members of provincial ministries. One member is the acting research co-ordinator with the Toronto public health department and is a biochemist. Dr. Pamela Stokes is director of the Institute for Environmental Studies at the University of Toronto. Dr. Ron Harris is a senior research scientist with the Department of Agriculture at the London research station. In fact, industry could perhaps be thought of as being under-represented on the committee.

Mr. Hayes: It might be valuable information for members of the committee if they had a biography of the committee members, the same as we have for the Liquor Control Board of Ontario.

Dr. Howard: I believe we submitted it.

Mr. Hayes: I do not think we have that.

Dr. Howard: If not, we would certainly be very glad to provide the curricula vitae.

Mr. Chairman: Perhaps we can get that.

Mr. Hayes: I do not recall seeing it, if it is there.

Mr. Mitchell: We have a list. It is not a biography.

Mr. J. M. Johnson: Get a biography of these fellows.

Mr. Hayes: This is a list of the names.

Dr. Howard: We will be very glad to provide CVs of committee members.

Mr. Hayes: If you could do that, I would appreciate it.

On the question of 2,4-D, does the committee have any recommendations right now as far as proposals to ban it? There is talk about people on golf courses, for example, who suspect they have been affected by it and have cancer. Are the recommendations coming down shortly as to banning or restricting it, even as far as its use on golf courses or on people's lawns, for example?

Dr. Howard: Yes. We recognize, as you do, there is a high level of public concern in relation to exposure to 2,4-D. That was the reason for convening the expert panel. Until we have the benefit of that panel's review, it is impossible for this committee to start to formulate what action, if any, is indicated in terms of a more restrictive-use pattern or prohibition.

We are certainly approaching that question with a great awareness that it is critically and urgently needed and will proceed to that point as quickly as we possibly can. Obviously, it has a very high priority within our scheme of things and, I believe, Mr. Giles's viewpoint within the ministry.

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Mr. Hayes: I know the question was asked earlier and I think you responded. Did you give a time as to when this panel's report would be finished? I think you mentioned it.

Dr. Howard: We are targeting to have the panel report, together with our recommendation, available to the minister in advance of the new season. We have not been able to be precise because it does depend upon the completion of the panel review and use of its time. It is truly remarkable considering the level of expertise involved in our expert panel that the members have been able to devote the amount of time they have to the review process. We hope it will mature very quickly.

Mr. Hayes: Just one last point on that same subject. Would the minutes of that panel be available or tabled for members here?

Dr. Howard: The panel report will be submitted to our committee and then this committee will review it and make recommendations to the minister based on our review. I believe it would probably be available some time after that, although that is out of the mandated normal interest of this committee.

Mr. J. M. Johnson: I have a follow-up on Pat's question pertaining to the use of 2,4-D on golf courses. If it did come out that it was negative for that purpose, then it would follow that schoolyards and lawns and things of the same nature would fall in the same category. Is it possible that it would be banned for this use and yet farmers could still use it for their fields?

Dr. Howard: This is why we have been concerned that one of the members of the panel have recognized expertise within risk-benefit and exposure levels. Certainly, if there is a concern or potential concern about carcinogenicity, then levels of exposure would be considered. There has been a very concerted effort to very carefully quantify the amount of the chemical used, the places where it is used and conditions under which it is used in Ontario, so that if there was need for restriction, it could be discriminatory.

Mr. J. M. Johnson: There is that possibility.

Dr. Howard: It depends on the level of concern, of course.

Mr. J. M. Johnson: One major concern would be the schoolyard. The average person does not get out on the golf course that much.

Dr. Howard: That is correct. In home owner use or public park use, exposure of bystanders certainly is of very serious concern and would have to be taken and evaluated very carefully. With a farmer's use of the compound, his exposure is voluntary. He does not have to use it. A bystander or schoolchild's exposure to the compound is involuntary. You have to consider these parts of the equation. That would be addressed very carefully.

Mr. Mitchell: I would like to get back to the questions I started when Mr. Leluk was speaking. We have the Ministry of Health testing for water quality; we have testing facilities, I understand, in the Ministry of the Environment to check for toxic wastes and so on that are being disposed of.

It bothers me that in a great many areas, however, Canada and Ontario are so far behind our neighbours to the south; we rely so heavily on them for recommendations and so on that it bothers me. I frankly do not feel we do adequate testing of any chemical substances in the federal area or for that matter in Ontario. I am not sure we should not have our own test facilities in Ontario for the very reasons that I raised.

Quite frankly, I firmly believe there are possibilities that could exist



where a chemical would be quite safe in its use but, because of certain tests that had been done or studies that are available, there might be some questions that need further answers which could be provided only within the laboratory. I am not downplaying the work you do, believe me, but it bothers me that you do not have available to you some testing facility where, if there were questions in the minds of some of you on the committee, you could go to have those answers given to you directly. I said before I feel Canada and the provinces too often walk lockstep with decisions made in the United States and elsewhere. It really bothers me. You may want to comment on that later on, but I feel I have to make that point.

What is your involvement with the Ministry of the Environment with regard to disposals? I will give you a case in point. There are some materials in Ottawa that are going to be disposed of now. They are trying to find a place to dispose of them because of bad publicity--bad handling by the Ministry of the Environment, with respect. Although you are strictly pesticides, does your committee have any involvement with the questions raised with you by the Ministry of the Environment as to what is in a given material, whether it should be safely disposed of or anything in that line, or are you strictly concerned with the day-to-day use of the material?

Dr. Howard: Our normal mandate is more within what one calls a day-to-day use of the material. If the minister or, through him, sections of the ministry have specific concerns or questions with regard to a pesticide substance, they can very well ask us to provide an opinion with regard to that specific substance. We are not in the forefront of the ministry's response to broad situations.

Mr. Mitchell: Although I am tempted to ask the Ministry of the Environment people some questions on some peripheral items, they do not relate to your specific role, so I will not get into them.

Mr. J. M. Johnson: The committee will take note of that.

Mr. Mitchell: Good. Are you aware of a study done by Judge Thomson with regard to environmental hypersensitivities?

Dr. Smith: I am.

Mr. Mitchell: Do you ever dialogue with a committee like that or the Ministry of Health? I know your responsibility is under the Ministry of the Environment, but do you ever dialogue with the Ministry of Health with regard to approvals that you might be going to give to a specific chemical, particularly because of the growth in the numbers of people considered hypersensitive to the environment and living under some very dangerous conditions, certainly some very stressful conditions?

Dr. Howard: Yes. As you know, Dr. Smith is a medical consultant to the Ministry of Health. Dr. Harding, another member of our committee, is a medical consultant to the Ministry of Labour. They would express directly to the committee concerns they, in their expertise, might have with regard to a pesticide under consideration and, if it was indicated, interface with the appropriate people in the ministry.

Mr. Mitchell: Perhaps I might ask this question directly then of Dr. Smith. You are aware of the Thomson study. Because you are a member of the Pesticides Advisory Committee, I think it is important to know just what your feelings are about those people who do and are reputed to suffer from

environmental sensitivity. Do you believe there are people like that out there and that extra care should be taken with regard to approvals by your committee of pesticides that may be used?

Dr. Smith: I think the relationship between your question and our function is parallel, but our mandate is not to address the issue of whether environmental hypersensitivity exists. Judge Thomson did not address our mandate; he addressed the issue of the existence of the entity and recommended some research into that area, in other words, to define what it is and what its effects are and to bring to the forefront of the medical community a lot of information about environmental hypersensitivity.

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The review that followed the Thomson Committee on Environmental Hypersensitivity was a review by a scientific panel that responded to Judge Thomson's recommendations with some further recommendations for research. From my own perspective as a physician, the whole issue of environmental hypersensitivity is not clear in my mind as to its existence or lack of, its definition, how it is ascertained and how it is treated. As a physician, that is not my job personally, but it is the job of the medical infrastructure to define a disease. I cannot define a disease by myself, nor can any legislative body. It is something that exists by virtue of certain medical definitions and so on.

The research that was requested by both the Thomson committee and the subsequent scientific review of that committee was to address that issue. When that issue is resolved, I think I will have better personal evidence to effect the committee in that direction. Right now, I would have to admit that I, personally, do not have that evidence as a physician.

Mr. D. W. Smith: I want to clarify. Are you talking about chemicals causing people to have allergies?

Mr. Mitchell: I am talking about people who are affected in so many different ways that some find living in the current environment, the way it is, to be deadly. It is not just allergies. It goes beyond allergies. I am really disturbed by your answer because the British medical journals and other journals throughout the world have written up and documented information after information, which is the type of information you rely on when you approve pesticides. Frankly, your answer disturbs me.

Mr. D. W. Smith: I happen to be allergic to a few of these chemicals. If I walk into a hog barn, for instance--I think it is Lindane--I know I have to get out pretty quickly because my chest starts to fill up. Have you done any testing along those lines?

The other is a warble fly spray, and I cannot give you the chemical name of what is used. Is that what you are questioning here?

Mr. Mitchell: People are affected by urea formaldehyde, which is one of the more famous chemicals, but also by a variety of chemicals. I appeared at a Workers' Compensation Board hearing with respect to a young woman who literally has to walk in the environment with oxygen being provided. She cannot live within the ordinary air.

Mr. D. W. Smith: Another spray is Sutan. It will affect you. I just wondered if you look into those types of requests. I never asked your opinion



on it but I know it affects me. I just wondered if other people have asked about it.

Dr. Smith: Our mandate in this committee is not to look at those effects. From my perspective as a physician, not as a member of this committee, an idiosyncratic reaction--idiosyncratic means you cannot prognosticate it; you cannot determine who will get it when or to what--a totally unexpected allergic reaction is a characteristic of any population when one comes in contact with any one of a given number or any one substance.

I may say I am not allergic, and I am not; yet in the presence of something that has not yet been developed, I could be. It is my particular idiosyncrasy that could occur. It is within the realm of possibility of a medical response, of a physiological response. That cannot be predicted by any study unless one exposed enough individuals in a population to be able to say yes, it is idiosyncratic, we did not predict it, but it can occur one in 10,000 times or one in a million times.

That is the case with drugs, for example. A new drug comes on the market and it is tested on 5,000 people, it is effective and so on; yet in one in 10,000 uses, an individual may develop an acute reaction and die. That could not be predicted in any way, and it is called an idiosyncratic reaction. That may occur with any chemical. It is not our mandate to address that, but to address the database to make decisions on use.

Mr. Mitchell: Precisely, and as a result, I challenge your position on that, because of your very title, the Ontario Pesticides Advisory Committee, and what has been talked about here this morning is the fact that your whole mandate is to say whether a pesticide is safe for use in this province. I suggest to you that if there are people out there who suffer from environmental sensitivities, then that has to be something you take into consideration when you are approving something for use as a pesticide.

Dr. Howard: Perhaps I can comment, going back to the reference to a warble material and the kind of thing we react to very frequently, there is a frank response to one of the warble materials called Rotenone. It is a very severe skin irritant. In that case, labelling cautions very carefully with regard to use. That is within the area of a frank irritant, if you like, as opposed to the broader or different question Dr. Smith has addressed.

Mr. Mitchell: I will close with this comment. I was parliamentary assistant in the Ministry of Health and was a party to having the Judge Thomson study initiated. I am a lay person, I am not a medical person, but after reading what I figure to be one of the most credible medical journals available, called the Lancet, from Britain, and seeing its reports and recommendations, I have to question how people can look at those reports and not at least have a feeling there is some validity in what they have been saying. As I say, I challenge the position, because I feel that is something your committee should be taking into consideration whenever approval is given.

I am not for a moment suggesting we do not have to have chemicals and what not available to protect crops and the lifestyle we live, but I am saying you cannot remove that part of society away from the deliberations you make.

Mr. D. W. Smith: I will not ask too many questions, but I want to get clarification on a statement by Dr. Fowle. Did you say your committee reacts to media reports or media articles more than physical testing? Did I hear that right?

Dr. Fowle: I hope not. I do not think I said that, Mr. Smith.

Mr. D. W. Smith: I guess I hoped I did not hear that.

When you are about to pull a product off the market, and maybe it is not in your jurisdiction or in your mandate even to look at this aspect, it has quite an effect on products that are left within the market that that product has been competing with. I can think of the herbicide Lasso; I believe it was pulled off last year. They tell me this year it has increased in price something more than 30 per cent.

If they do not get you one way, health-wise, they will get you economically-wise the other way. You are dead in the end anyway. I wonder if your committee does give any consideration that maybe there should be another product coming on to the market that is considered safe before you pull one off. Is that part of your discussions?

Dr. Howard: Part of the background factors we would consider would be the significance of the risk and the significance of the benefit in relation to use of the product. If there is a moderate risk and an exceptionally strong benefit, then you adjust your thinking and recommendation to that kind of equation. Yes, alternative pesticides are part of the factors we consider.

We normally rely on reports from the Ontario Ministry of Agriculture and Food to define benefit aspects of a pesticide. That is not regarded as directly within our mandate. It is one of the facets of information we make use of, though.

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Mr. D. W. Smith: Is there now in place a comparable product at approximately the same price that is going to take over from 2,4-D? I am not up on the chemicals as well as I should be, but I wonder whether there is one to take its place. It has been here for a long time. Somebody must have known that it was a little bit of a problem for people. I cannot see how it can be a really severe problem because it has been on the market for so long and it has been an excellent product for the farming community. Is there one to take its place?

Mr. Cameron: There are certainly alternatives to the use of 2,4-D, but in all cases it will be more expensive to Ontario agriculture to use those products; 2,4-D is probably one of the longest used. In a lot of cases the alternative to the use of 2,4-D is going back to being blistered. I can relate experiences of using 2,4-D for almost 40 years myself. I know those alternatives are going back to the hoe handle in a lot of cases because of the expense of that material. 2,4-D is a very low cost material that does a very effective job on a lot of crops and does it inexpensively. That is a consideration that we as farmers continually have to bring to this committee: the competitiveness of Ontario agriculture. If we lose that competitiveness in a world-wide competitive situation, then we are forgoing a major part of our Ontario economy.

Mr. D. W. Smith: Going back to what Mr. Johnson said, it bothers the farm community in my area that we can bring products in from another country that allows these products, whether it be Mexico, South America or the United States; yet Ontario will not allow the farmers to use them here. That becomes a real economic strangle on our farming community. I go along with what Mr.



Johnson was saying in that case. I do not know how much more we can stress it, but we can keep harping away at it, I guess.

I wanted to ask one more question. Do you find that through time these chemicals build up in our soils? Have you been able to find that out? Do they build up at all?

Dr. Howard: Soil persistence is a specific area of study and concern. The characteristics of most pesticides are pretty well delineated at the time of their introduction. Some individual compounds do have an extremely long half-life and can remain in the environment for a protracted period of time. That is a crucial element of evaluation in terms of characteristics of a compound. If it is regarded as being unacceptably persistent, registration would not be granted.

Mr. D. W. Smith: Do you have data on the compound Atrazine? I understand that chemical is one that flows through the soil, I would say relatively slowly, but then it does find its way sometimes to watercourses. Have you done any research as to how long it can stay in stream beds or anything along those lines?

Dr. Howard: Perhaps Mr. Giles or Mr. Onderdonk can answer. There is an active monitoring program carried out on Atrazine. Am I correct on that?

Mr. Onderdonk: Yes.

Dr. Howard: It might provide useful information to you.

Mr. D. W. Smith: Yes, I would like to hear it.

Mr. Onderdonk: The Ministry of the Environment, in co-operation with the Ministry of Agriculture and Food, the Ministry of Natural Resources and with some recommendations from the Ontario Pesticides Advisory Committee, did set out a project, which is located northwest of Woodstock on a watershed area that was identified by the ministry--actually, I believe it was identified by the Ontario Water Resources Commission--and it was followed for about the last 30 years in terms of the hydrogeological characteristics of that watershed.

Because we have had a fairly long involvement with the use of the pesticide Atrazine and we have a fair bit of residue data in terms of the open environment, its degradation in soils and its usage pattern in the province, we chose this particular area, where we have a strong hydrogeological background, intensive use of the material Atrazine in corn production, and it is about a 25-square-mile watershed area.

We have been working with our water resources people and water resources people in the Environmental Protection Agency in the United States to develop an overall monitoring modelling program whereby we can look at the inputs of the pesticide into the environment for use in its proper context in corn production, and then look at the outputs into the environment, and segregate all of the different inputs, whether it be input through surface water movement across the top of the soil, down through the soil, and how long it would persist in any part or component of the environment.

I have no data here with me on that. We do have two preliminary reports. It is a three-year project that we have been involved in. There are two interim reports that have been put out. They have been made available to the farming community and the general public who have requested them. There have

been full public hearings or meetings held with the different client groups we are dealing with. That information could be made available to the committee. It certainly would be made available to the advisory committee on an ongoing basis as we develop the whole project, in particular our ability to predict what may happen in the future based on some of the more simple parameters of knowing water movement in an area and then the chemical characteristics that the committee would look at when they are classifying the product.

Mr. Chairman: Before we go on, it is now 12 o'clock, and I still have three questioners--one of them has disappeared; so we have two. Is it the wish of the committee that we go on for another half an hour, or should we break for lunch and come back at two o'clock?

Mr. J. M. Johnson: Let us see if we can finish in 15 or 20 minutes.

Mr. Mitchell: Regrettably, I cannot, Mr. Chairman. I have other commitments over the noon hour.

Mr. Chairman: At 12? Do you wish to come back at two?

Dr. Howard: I believe some members would not be available this afternoon. We had originally, of course, anticipated a meeting this afternoon. We had appointments in the morning and had to shuffle those.

Mr. Chairman: I see. Well, Mr. Smith--

Dr. Howard: I think it would be preferable from our viewpoint, if it was possible, to finish within half an hour.

Mr. Chairman: Mr. Smith, you finish your questioning now.

Mr. D. W. Smith: I have finished my questions.

Mr. Chairman: Mr. Mitchell, you have to go.

Mr. Mitchell: I have to, so you will have to strike me off the list.

Mr. Chairman: We have Mr. Johnson and Mr. Miller.

Interjection: And Mr. Hayes.

Mr. Chairman: And Mr. Hayes. All right. Perhaps we can finish within half an hour.

Mr. J. M. Johnson: Let Pat go ahead and I can finish in whatever time is left.

Mr. Hayes: My question actually relates to Mr. Smith's in regard to Lasso, the ones that--well, any chemical, for example, that is banned here in Ontario or in Canada. As Mr. Smith has indicated, we are still letting products come into this country that are using chemicals that we are not allowed to use here, which certainly does make it unfair competition to the farmers here.

Does the committee have any clout or are you able to make strong recommendations, say, to the provincial government or, more important, to the federal government, saying the farmer is not allowed to use certain chemical here and yet you are letting food come into this country with that particular



chemical on it? Have you made presentations or do you feel that you have the power or the teeth in your committee to put pressure on the government to stop this from happening?

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Dr. Howard: There is interaction and discussion directly with the federal agencies and through an organization of both federal and provincial people involved in the regulation of pesticides. That area of concern is addressed both directly and indirectly.

To my knowledge, the legislative base for expressing that concern specifically in relation to food tolerances or food residues is the Food and Drugs Act. As an example, if Alachlor was banned in Ontario but not banned in the United States, and when it was registered in Ontario there was an acceptable tolerance or residue level in corn, that would be cancelled and then any corn could not be imported into the country that had that level of chemical in it. That would be the legislative base that would control the use of pesticides that are unregistered in Canada on imported food.

Mr. J. M. Johnson: You have two aspects of protection; one is the consumer and the other is the producer, the farmer, in the application process. For example, Tilt is a fungicide that is used to increase crop yield. Is the danger in Tilt in the application or in the residue on the cereal?

Dr. Howard: There is no residue in the food to my knowledge; so that is not the question. The question with regard to Tilt is occupational or farmer exposure. The reason for the question is that health studies are incomplete; so we cannot be definitive in knowing what long-term effect the compound has on health.

Mr. J. M. Johnson: But it is the application process that is a concern, not the cereal. I had a concern with that because I thought that if we were allowing it to be imported from the west, then consumers would be paying the price, but that answers that question.

Should our committee be making a recommendation through the Ministry of the Environment to the federal people pertaining to the question of importation of foods that are receiving application treatments of chemicals that are not acceptable in Canada? Is there any downside to it?

Mr. Cameron, you have been knowledgeable in the Ontario Fruit and Vegetable Growers' Association for many years. This is a question that many of my people in this area are concerned about.

Mr. Cameron: As a producer and as a representative of producer groups, I can say we are always very hesitant to recommend that course of action because there are certain registered units under classification here in Ontario that could pose a problem to our export of certain foods in a retaliatory manner if we approached it from that direction.

Although the concerns you raise are foremost in the minds of a lot of producers in Ontario, we feel the wisest course of action is to depend upon the federal analysis of incoming food and stand with that decision.

Mr. J. M. Johnson: That answers that question.

Has your committee any suggestions as to what this committee should be

recommending to the federal authorities or possibly even this Minister of the Environment?

Dr. Howard: Mr. Cameron would like to comment. I suspect that if Mr. Cameron could comment, it would be from a producer's viewpoint, and I think that would be very appropriate.

Mr. Cameron: I will qualify it as a producer's viewpoint. Being involved in a national committee which makes recommendations to the federal regulatory procedures, we are very concerned basically not only with the harmonization of our regulatory matters with other international jurisdictions, such as the United States, where there is a very direct competition, particularly in a lot of horticultural products, but also that we meet and go by the same standards as other international jurisdictions.

Outside of that, there is a growing concern within Canada that there is a breakdown in the harmonization of standards interprovincially. That is causing concern. For instance, if an onion grower in Quebec is able to use a material that an onion grower in Ontario is not be able to use, the onion grower in Ontario sees that as a severe restriction to his competitiveness in this market.

Even further than that, there is a breakdown. Now some municipal jurisdictions are getting into putting on some restrictions relative to the use of pesticides. We see that as an urban reaction to pesticide use that may not recognize the benefits of agriculture and the rural use of pesticides.

We see this as a major problem which we are attempting to address, not only at the federal level. Basically our attempt is to get broad enough regulatory powers at the federal level that they will encompass all provincial or municipal concerns.

Mr. J. M. Johnson: I agree with you. I think we have very little control of what the United States or any other country will do. Surely within this country we must work with a common policy that all provinces can live with. Maybe we should ask one of the doctors. Is this coffee I have been drinking safe?

Dr. Smith: "Safe" is an unfortunate word.

Mr. J. M. Johnson: Will you please provide this committee--and if the committee is not interested, I am--the results of the testing of Tilt as soon as possible?

Mr. Giles: Yes, we will.

Mr. J. M. Johnson: Will they be in time for this season?

Mr. Giles: That is certainly the objective.

Mr. J. M. Johnson: Even if it is not, the farmers have to plant. If they are not going to be able to use it, then they will have to plant another crop.

Mr. Giles: We are certainly conscious of the need to get decisions made in time for use in any one year of any one product.

Dr. Howard: I think there should be a clear understanding that the



problem with Tilt has been inaction on the compound at the federal level, not at the provincial level, this year. There does need to be a clear understanding that the federal people have been very badly delayed in defining their position on Tilt for this coming year. That has been the problem.

Mr. Epp: I am going to ask a question that no one has asked today. I guess it gets to the heart of the purpose of this committee. It has something to do with sunseting. The government of Ontario has all these ABCs--agencies, boards and commissions--some of which function very well and some of which do not function well, some of which make a lot of contributions and some of which do not make important contributions.

I am going to ask you a very important question. Can you tell me, in a short statement, why this committee, this advisory body, should not be sunsetted? We have more than 300 now, and every month or every year, we are adding a few more agencies, boards and commissions. In the four years I was on the standing committee on procedural affairs and agencies, boards and commissions, we looked at a lot of them and recommended that one body be sunsetted. We keep on adding but not subtracting, and I think we should be subtracting. Can you tell me why this committee should not be sunsetted? I am prepared to ask other bodies that same question.

Dr. Howard: My reaction to that is that the area of pesticides is a very complex, scientific, science-based matter which is very rapidly changing. It needs a broad viewpoint of scientific disciplines to deal with it on a carefully thought out, rational basis. The function of this committee is to provide to the Minister of the Environment and the ministry a sound basis for action with regard to pesticide matters.

There has been reference to a press comment with regard to pesticide matters and indeed other chemical matters. Unless there is a science base for making a decision on a matter as complicated and complex as pesticides, unless there is a science base for making a decision, it is very difficult to make a rational decision, in my opinion.

Mr. Epp: To be fair, you are saying then that the kind of objective information the minister has access through your body is not available elsewhere?

Dr. Howard: That is my opinion.

Mr. Epp: And not for the same price.

Dr. Fowle: Certainly not for the same price.

Mr. Epp: I am trying to be fair.

Dr. Fowle: You are quite right. It would cost a lot more if you went shopping.

Mr. Chairman: I have no other names on the list. Are there any further questions? Dr. Howard, I would like to thank you and your associates, Mr. Cameron, Dr. Fowle and Dr. Smith. I appreciate very much your co-operation. It has been a very interesting morning. I would also like to thank Mr. Giles and Mr. Onderdonk for being with us. We have just about hit the target of 12 o'clock. You have been very helpful in rearranging your schedule to accommodate the committee. We appreciate it.

The committee adjourned at 12:13 p.m.

















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